

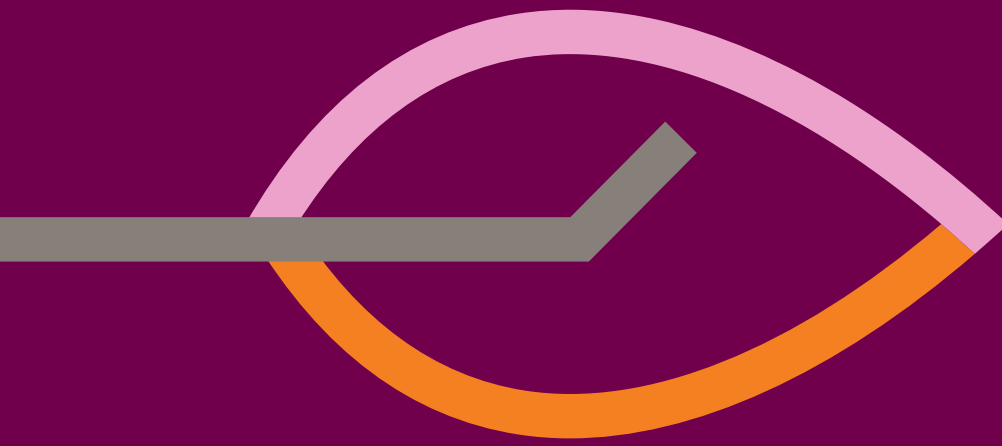
# The future of local government review

# Final Report

October 2023



**Let's All Shape the Future  
of Local Government.**



## Have your say on the Final Report

The Local Government Board (the Board) has handed the Minister for Local Government, Hon. Nic Street MP, the Final Report of the Future of Local Government Review.

The Board makes 37 recommendations on how our current system needs to change so that councils can meet the challenges and opportunities our communities will face in the next 20-30 years.

This is an important milestone in almost two years of extensive research, analysis, and engagement into the future role, functions, and design of Tasmania's system of local government. The Minister is now carrying out a final round of consultation with councils and the community. Your feedback will help the Tasmanian Government decide whether to make the changes recommended by this independent Board.

Do you agree with the Board's recommendations, and do you want to see them implemented?

Comments and submissions on the Final Report are due by 29 February 2024. You can make your comments:

- By mail to Local Government Reform, GPO Box 123, Hobart, Australia 7001
- By email to [lg.consultation@dpac.tas.gov.au](mailto:lg.consultation@dpac.tas.gov.au)
- Online at [www.engage.futurelocal.tas.gov.au](http://www.engage.futurelocal.tas.gov.au)

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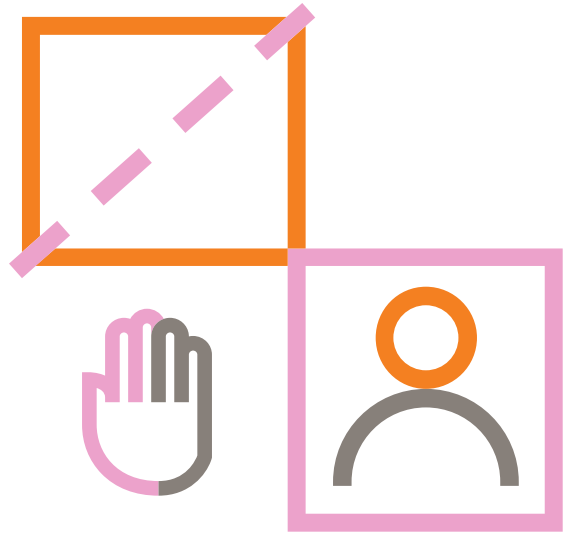
## Chair's Letter of Transmittal

Dear Minister,

In this, our Final Report, we lay out our findings and recommendations for reform of the Tasmanian local government sector. We present for your consideration an integrated suite of practical, evidence-based reforms that will deliver outcomes that support both the distinctive needs of local communities and the common aspirations of all Tasmanians.

The reform program we set out includes major changes to council boundaries and service delivery models, as well as a range of specific improvements to the way councils are governed, funded, and managed. It is an ambitious agenda, but one that we think is essential and achievable.

At the heart of all these proposed changes is the overriding objective of working with communities to ensure our councils are in the best possible position to support the future wellbeing,



sustainability, and prosperity of all Tasmanians. We cannot and should not lose sight of that goal as we embark on the challenging task of implementing reform.

We have seen during the Review how hard it is to achieve consensus on the direction for major structural change to the sector, even where the issues and challenges of our current system are universally acknowledged and agreed. The challenges of reforming local government are well known and are not unique to Tasmania.

Structural reform – even where it is voluntary and supported by councils and communities – will need to be coupled with a properly resourced transition plan to smooth impacts for individual ratepayers in a transparent and equitable way. Without this, individual councils will understandably seek to retain the status quo rather than act in the long-term interests of their local communities and the State as a whole. This will lead to reform failure.

Readying the sector for the challenges and opportunities of the coming decades will require strong and courageous political leadership and community buy-in. Successful and lasting change will also take time, patient collaboration, and dedicated focus and resources. But, for the sake of our community, it needs to happen, and we do not have time to waste by putting it off any longer.

While political leadership is essential, it is not enough. To achieve broader, longer-term reform, communities will need to better understand why change is needed, how it can be achieved, and the benefits and costs of reform opportunities. To be successful, the drive for change needs to come from communities themselves.

On behalf of the Board, I would like to take this opportunity to thank all Tasmanians who took the time to engage with the Review since it began in January 2022. It is clear Tasmanians are passionate about the stewardship of their local communities and care deeply about local voice and services. Our goal from the outset of this Review was to promote a genuine community discussion about how we set up our councils for the future. I can confidently say the input of ordinary Tasmanians has played a significant role in shaping the package of reforms we are presenting to you in this Report.

I would also like to extend my appreciation to the sector, and the Local Government Association of Tasmania and LG Professionals Tasmania in particular – for their support for and engagement in the Review process.

Thanks also go to my fellow Board members, Pam Allan, Ric De Santi, Mathew Healey, Kym Goodes, and Paul West for their skill, hard work, support, and insights.

Finally, I would like to extend my sincere thanks to the professional and dedicated members of the Review Secretariat in the Department of Premier and Cabinet – Director of Local Government Reform Mike Mogridge, Assistant Director Luke Murphy-Gregory and Policy Analysts Peter Wright and Cameron Valentine, as well as those who made their own important contributions at various stages – namely Isaac Dalla Fontana, Iona Renwick, and Athena Esmaeili.

The Hon Sue Smith AM  
**Chair**





## Executive Summary

Tasmania's local councils - like all levels of government - need to ensure they are ready and able to meet the future needs of our community. Tasmanians need a capable and effective local government sector to support their wellbeing. This will inevitably require significant changes in the coming years.

Over the course of our Review, we have undertaken a broad program of research, analysis, and engagement to understand what changes will underpin a more robust and capable system of local government for current and future Tasmanian communities and how those changes can be successfully delivered.

## **The critical future role for local government**

There is compelling evidence that the ability to develop and tailor local solutions to complex policy problems is becoming more, not less, important. This means local government, along with other levels of government, volunteers, community organisations, and local businesses will play an increasingly vital role in shaping and supporting strong and sustainable communities.

We believe the future role of local government is to support and improve the wellbeing of Tasmanian communities by:

- harnessing and building on the unique strengths and capabilities of local communities.
- providing infrastructure and services that, to be effective, require local approaches.
- representing and advocating for the specific needs and interests of local communities in regional, state-wide, and national decision-making.
- promoting the social, economic, and environmental sustainability of local communities, including by planning for and mitigating climate change impacts.

To perform their role well, councils must have the right kinds of capability to provide the high-quality representation, services, and infrastructure that Tasmanians deserve.

The Board is of the view – and this is supported by the sector and communities – that there is nothing manifestly wrong with the range and scope of current services and functions councils are performing. We do not believe there is a convincing case to radically change local government’s role from their traditional functions or services, nor to prevent them from providing more ‘people-focused’ services.

But councils do need a more clearly defined and well-understood mandate so they can strategically build capability to support their communities’ wellbeing priorities and focus on their areas of key strength and formal responsibility.

The local government sector needs to be able to effectively partner with the Australian and Tasmanian Governments on wellbeing. A key part of this is ensuring councils are clear on their role and have the capability and resources to deliver on it.

The contemporary role of local government – focused on supporting community wellbeing – should be clearly enshrined in legislation and embedded into council decision making all the way from the high-level strategic level through to day-to-day operational levels.

Improved strategic planning and reporting will allow councils to track and improve their performance and communities to hold councils to account. It should also support prudent regulatory oversight of the sector. The goal should be a culture of continuous improvement across the sector.

### **Reform is needed now**

We know effective and capable councils are a key enabler of community prosperity and wellbeing. Local communities need their councils to succeed. But if councils lack the capability to support their local communities, the State’s future prosperity will be compromised.

Our current system means many councils are unable to meet increasingly complex community needs in a way that is equitable and consistent. In part this is because our system of local government still reflects the structure, functional and service requirements, and funding mechanisms established during the last significant reform process 30 years ago. While councils have evolved and adapted to meet emerging and future community needs as best they can, they are structurally constrained by an institutional framework that is no longer fit for purpose.

Increasing subsidies to fund the continued survival of a structurally unsustainable system is not the answer. The goal should be for our councils to be as self-sufficient and sustainable as possible. Councils will of course continue to rely on support from other tiers of government but grants and transfers should be provided in a way that is equitable, transparent, and efficient and delivers the best value to Tasmania as a whole.

There is broad agreement in the sector and the wider community on what councils need to be able to do well, and what it looks like when they are succeeding. Despite the best efforts of individual councils, Tasmanian communities will not be best served by retaining the current local government structure and supporting frameworks. This model needs to adapt and evolve within the next decade to meet current and future community needs and priorities.

There remains broad agreement across the Tasmanian local government sector that structural reform is needed, and that it will require strong and courageous leadership, direction, and support from the Tasmanian Government to make it happen. While views diverge on the exact form that reform should take, there is consensus on three fundamental points:

1. The status quo is neither an optimal nor sustainable model for the sector, given growing demands, complexity, and sustainability challenges.
2. Some form of consolidation is necessary to deliver greater economies of scale and scope, at least for some services.
3. The scale and extent of the consolidation needed to deliver significantly better services will, unfortunately, not occur on a purely voluntary basis within the current framework.

Many councils will struggle to deliver for their communities unless we make significant changes to how our current system of local government is structured and funded, and how it delivers services. For instance:

1. Maintaining 29 councils will continue to have a significant and detrimental impact on the ability of the sector to attract and retain key staff, to uniformly manage assets well, and to deliver important regulatory functions.
2. There are concerning capability gaps across the sector, driven in part by workforce and skills shortages. These gaps and challenges are being felt more acutely in smaller, rural councils and are exacerbated by many councils competing against one another.

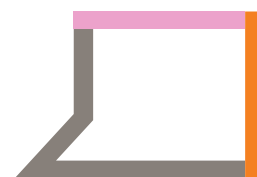
3. At a strategic level, the competition, fragmentation, and duplication of effort that naturally occurs across many councils reduces collaboration on regional and state-wide challenges.

Without reform, these issues will become more pronounced. Councils will face increasing demands on their already-strained resources in the years ahead due to complex and growing community needs. Councils will need the capability to support communities through emergencies and unexpected crises, such as the COVID-19 pandemic and natural disasters. These challenges will be felt most acutely in regional and remote communities where capability is already often stretched too thinly or is absent.

The community understands and supports the need for change. Community sentiment research<sup>1</sup> we conducted shows most Tasmanians believe we should have fewer councils, and that they support reforms to enhance the capacity of the sector to deliver better services, in particular greater resource-sharing.

The problem is not with individual councils, but with the broader structure of the local government sector itself. Councils – particularly smaller rural councils – face a range of pressures beyond their control and have only limited options available to them within the current system of local government to respond.

These pressures are inherently structural and relate to things like growing demand for more (and more costly) services, shrinking rates bases, input cost increases, labour force and skills shortages, and climate change impacts. Substantial structural reform is needed if we are to deliver on the objective of this Review – to create a more robust and capable system of local government.



<sup>1</sup> Institute for Regional Futures 2023. *The Future of Local Government Review. Community Sentiment Summary Report.* University of Newcastle.





We have a clear idea of what Tasmanians need and value most from their councils based on our broad research and engagement. They want affordable and reliable community services that meet their needs, well-maintained roads and other infrastructure, and a strong and effective local voice. They want and need these things to help support them live a 'good life' in their local communities. Councils need to evolve to make sure they can successfully and sustainably deliver these things for their communities in the future.

### **Tasmania's future councils – an alternative design**

There are two main areas where change will support better outcomes for communities.

Firstly, councils need both greater scale and capability achieved through boundary consolidation as well as greater capacity to work together and share resources.

Tasmania's council boundaries should be redrawn to create a new system of larger and more capable councils that better reflects, represents, and serves contemporary Tasmanian communities. We need to build capability and capacity in the local government sector and their communities more broadly, and this includes supporting local jobs and preserving service delivery. The Board understands the importance of local government as a major employer, particularly in small, rural communities, and how this supports local economies – by keeping people living in and contributing to these communities in an era when services and employment is being concentrated in the more urban centres. Larger and more capable councils would also have the resources and systems to systematically engage with and better represent their communities.

Secondly, improvements are needed to how councils are governed, funded, and deliver services. Councils need to operate within systems and frameworks that support them to be as efficient, effective, and accountable to their communities as possible.

The Tasmanian Government has taken non-voluntary council boundary changes off the table. However, we still believe a system of larger, more capable councils, supported by some mandated service sharing, is the best solution to set the sector up for a successful and sustainable future. Indeed, we believe the design of structural reforms and the outcomes they deliver will benefit from a bipartisan, collaborative, and negotiated approach to implementing local government reform.

We have developed an alternative future structural design for local government in Tasmania based on research, analysis, and engagement.

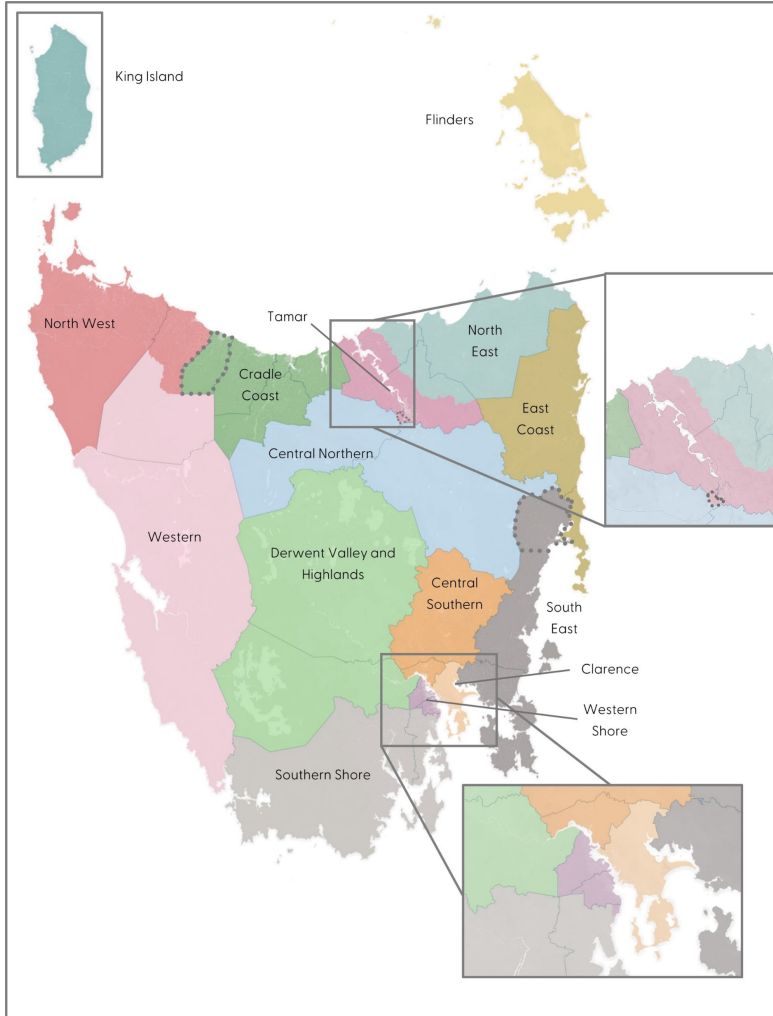
This new design comprises 15 local government areas. The proposed boundaries represent our best assessment of a preferred future design for the sector based on the information available during the period of the Review. Further detailed assessment of these boundaries would need to be undertaken when finalising amalgamation proposals. Had mandated boundary changes remained a 'live' option for implementing structural reforms, it is likely the Board would have recommended a series of community-focused processes to better define and finalise new council boundaries and supporting arrangements for all 15 areas.

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**Given the Tasmanian Government's stated position on mandated structural reform – and some councils' opposition to any boundary changes – the Board acknowledges most of these boundaries may not be implemented immediately. However, they should guide councils and the Tasmanian Government as they consider progressing voluntary amalgamation proposals. In the absence of mandated boundary changes, we must accept change will occur incrementally, but it should take place in a way that gets us closer to the future alternative model we have identified through the Review.**

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## Alternative Future Design for Local Government in Tasmania



| Proposed Council                    | Boundaries  |
|-------------------------------------|---|
| <b>Western</b>                      | West Coast Local Government Area (LGA) extending north to incorporate Waratah and Savage River.   |
| <b>North-West</b>                   | Circular Head LGA and Waratah-Wynyard LGA, minus Waratah and Savage River.  |
| <b>King Island</b>                  | King Island LGA (no change).  |
| <b>Cradle Coast</b>                 | Burnie, Central Coast, Devonport Kentish, and Latrobe LGAs.   |
| <b>Tamar Valley</b>                 | West Tamar LGA, George Town LGA minus rural areas to the east, Launceston LGA minus rural areas to the north-east, but including Prospect and Blackstone Heights from Meander Valley LGA. |
| <b>North-East</b>                   | Dorset LGA plus rural areas to the west from George Town LGA and to the south-west from Launceston LGA.   |
| <b>Flinders</b>                     | Flinders LGA (no change).   |
| <b>Central Northern</b>             | Meander Valley and Northern Midlands LGAs, minus Prospect and Blackstone Heights.   |
| <b>East Coast</b>                   | Break O'Day LGA plus Bicheno, Freycinet and Coles Bay.  |
| <b>South-East</b>                   | Sorell LGA, Tasman LGA, Glamorgan Spring Bay LGA minus Bicheno, Freycinet and Coles Bay.  |
| <b>Central Southern</b>             | Brighton and Southern Midlands LGAs.  |
| <b>Derwent Valley and Highlands</b> | Derwent Valley and Central Highlands LGAs.  |
| <b>Clarence</b>                     | Clarence LGA (no change).   |
| <b>Western Shore</b>                | Glenorchy and Hobart LGAs plus Tarooma part of Kingborough LGA.   |
| <b>Southern Shore</b>               | Huon Valley LGA and Kingborough LGA minus Tarooma.  |

## Reforms to build future-ready councils

Our reform package comprises structural reforms and specific reforms. Below, we provide a high-level summary of the core elements of our proposed agenda. Our full list of recommendations is in the table below.

Our recommendations are targeted at supporting and delivering FIVE core outcomes:

- 
- 1. Support healthy and sustainable local communities**
  - 2. Deliver better local services**
  - 3. Build and maintain future-ready community assets**
  - 4. Ensure local government represents you and your community**
  - 5. Enhance local job opportunities in councils**
- 

## Voluntary Amalgamations and Mandated Shared Services

The Tasmanian Government has made a commitment that council boundaries will not change unless there is support from individual councils and their communities. Many Tasmanian councils currently oppose forced boundary changes.

In these circumstances, we are recommending a program of voluntary reform. The Tasmanian Government should work with and support, as a priority, councils and communities that have expressed an openness to discussing and considering amalgamations or boundary changes.

Currently, these councils are West Coast, Waratah-Wynyard, Circular Head, Kentish, Latrobe, Break O Day, Glamorgan Spring Bay, Sorell, City of Hobart, Glenorchy, Kingborough, and Huon Valley.

The Board acknowledges council interest in and discussions on boundary changes are less advanced in respect of City of Hobart and Glenorchy, and Kingborough and Huon Valley councils, but nonetheless believes that these councils have expressed clear interest in further exploring opportunities. The Board believes there is substantial merit in ensuring that those councils (and their communities) are afforded the opportunity to genuinely explore structural consolidation proposals in greater detail.

A new Local Government Board should coordinate voluntary amalgamation proposals. The Board would assess viability and prepare formal proposals for councils, the community and Government to consider. Part of the new Board's assessment should be how well amalgamation proposals achieve progress towards our alternative future structural design for local government in Tasmania.

Councils, State agencies, and community leaders should form a Community Working Group (CWG) to work alongside this new Board, developing packages of Tasmanian Government-funded supporting initiatives that maximise the on-ground community benefits of amalgamation proposals.

Communities would need to vote in support of any reform proposals – including Partnership initiatives and funding – before they went ahead.

'Phase 1' voluntary amalgamation proposals would serve as a pilot program aimed at demonstrating to other councils and communities the opportunities and benefits of reform (and allow for lessons from implementation to be applied in later phases).

Alongside voluntary amalgamations, we are recommending the increased – council-designed but ultimately mandated – use of shared services and capability between councils, starting with key technical professions where capability gaps are being felt the most.



The Board is still of the view that shared services alone cannot solve the scale-related challenges facing the sector, but they will inevitably play an important role, and this will become more critical where we do not achieve significant consolidation of councils.

The sector itself should be given a chance to design these arrangements, but once settled they should be able to be mandated by the Tasmanian Government. That is why we are recommending a new legislative power for the Minister for Local Government to require councils' participation in shared services models.

### **Specific Reform Recommendations**

We are recommending a number of non-structural reforms aimed at improving the overall governance, funding, and service performance of councils. Some of the reforms build on and reinforce recommendations from the 2020 Local Government Legislation Review.

The recommendations are the culmination of an extensive program of options development, testing, and refinement we have undertaken throughout the Review, which included broad sectoral and community consultation.

The reforms are directly focused on delivering the five community outcomes above, and include:

- a range of measures to increase the efficiency, equity, transparency, and sustainability of rates and other council revenue.
- the introduction of a new integrated strategic planning and reporting framework for councils that is built on community wellbeing and sustainability goals and underpinned by best practice performance monitoring and reporting.
- improvements to the rigour and consistency of councils' strategic asset management practices and processes, including a proposal to create a new centralised shared asset management capability to serve councils.

- enhanced regulatory oversight and intervention capability based on a risk-based, intelligence driven early intervention approach.
- new mandatory learning and professional development requirements for elected members, commencing from when they first choose to stand for office.
- developing the capacity and skills of the local government workforce.
- specific strategic partnerships between councils and the Tasmanian Government to support more integrated and seamless 'front desk' services to the community, and more effective co-regulation in important areas of council responsibility.

A significant part of the Board's reform agenda focuses on improving the consistency of systems and processes across the sector (and with the Tasmanian Government), as well as the transparency of information available on how well councils perform for their communities. This should facilitate better resource sharing and cooperation between councils, maximise councils' accountability to their communities, ensure any major structural sustainability challenges can be identified as early as possible, and support intervention where necessary.

The reforms will set the foundations for necessary future structural consolidation and should be progressed irrespective of whether any council amalgamations proceed.

## Implementing reform

This necessary and achievable reform package will require careful planning and resourcing for successful implementation. We recommend implementing Phase 1 structural reform and supporting specific reforms (including the enactment of a new Local Government Act) over a two-year period, assuming work begins in early 2024.

In summary, we recommend that:

- the technical element of the Phase 1 structural reforms – including refining and implementing proposed new council boundaries and shared services initiatives – be overseen by a new Local Government Board (supported by a range of technical experts as and where necessary).
- the development of packages of targeted transition assistance for new councils via a Community Working Group (CWG) consisting of councils, State agencies and community leaders, supported by dedicated project capability in the Office of Local Government (OLG) or other appropriate agency.
- broader sector-wide reforms – including the implementation of pending agreed reforms from the earlier Local Government Legislation Review via a new Local Government Act – would most logically be managed and overseen by the Office of Local Government.
- subsequent phases of structural reform (including participating councils) would be identified by the Tasmanian Government and pursued following the conclusion of Phase 1.
- The Board's proposed implementation roadmap – including proposed governance arrangements and associated timeframes – is summarised in the diagrams below.



## Governance arrangements for implementing reforms

### New Local Government Board

(Oversees voluntary council amalgamation and shared services proposals)

### Office of Local Government

(Oversees transition and community support for structural reforms, and non-structural sectoral reform program)

#### Assessment/development of shared services models

- Assesses council-proposed models for service sharing
- Design and recommend implementation of mandated models (pending passage of legislative provision supporting this)

Government considers and accepts Board shared services recommendations.

Mandated shared services models implemented via Ministerial Order

#### Amalgamation technical review and analysis

- Provides technical analysis for each voluntary amalgamation proposal.
- Identifies all transition costs and considerations.

Provides report to Government of recommended Structural Reform Packages

Government-led consultation tests council support (from impacted councils)

Government considers and accepts Board-recommended Structural Reform Packages (and funding to support)

Community endorsement (plebiscite or elector poll)

If "YES", structural reforms proceed

#### Transition and community support package to complement voluntary amalgamation proposals

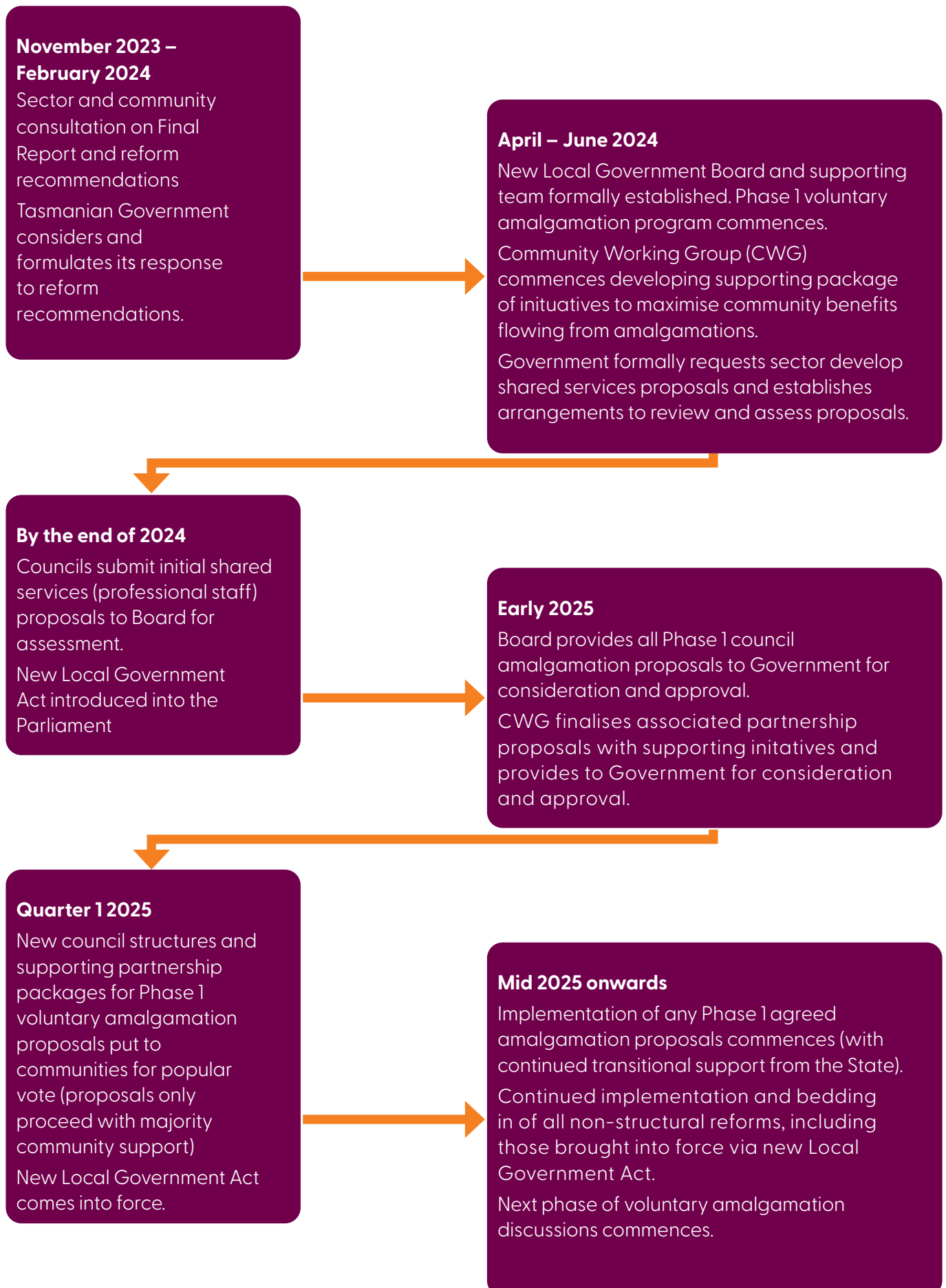
- Package developed by a Community Working Group of councils, State agencies and community leaders
- May include piloting of several specific reforms related to workforce development and Tasmanian and local government partnerships.

#### Non-structural sectoral reform program

- Specific reform development and implementation program.
- Development of new Local Government Act (requiring Parliamentary approval)



## Indicative timeline for implementing reforms



## Full List of Recommendations

| Recommendation # | Recommendation Headline   |
|------------------|---|
| 1                | <p>Define in Tasmania’s new Local Government Act the role of local government consistent with the statement below:</p> <p>The role of local government is to support and improve the wellbeing of Tasmanian communities by:</p> <ol style="list-style-type: none"> <li>1. harnessing and building on the unique strengths and capabilities of local communities;</li> <li>2. providing infrastructure and services that, to be effective, require local approaches;</li> <li>3. representing and advocating for the specific needs and interests of local communities in regional, state-wide, and national decision-making; and</li> <li>4. promoting the social, economic, and environmental sustainability of local communities, by mitigating and planning for climate change impacts.</li> </ol>   |
| 2                | <p>The Tasmanian Government – through subordinate legislation – should implement a Local Government Charter to support the new legislated role for local government.</p> <p>The Charter should be developed in close consultation with the sector and clarify and consolidate in a single document councils’ core functions, principles, and responsibilities, as well as the obligations of the Tasmanian Government when dealing with the sector as a partner in delivering community services and support.</p>   |
| 3                | <p>The Tasmanian Government should work with the sector to develop, resource, and implement a renewed Strategic Planning and Reporting Framework that is embedded in a new Local Government Act to support and underpin the role of local government. Under this Framework councils will be required to develop – within the first year of every council election – a four-year strategic plan.</p> <p>The plan would consist of component plans including, at minimum, a:</p> <ul style="list-style-type: none"> <li>• community engagement plan;</li> <li>• workforce development plan;</li> <li>• elected member capability and professional development plan; and</li> <li>• financial and asset sustainability plan.</li> </ul>  |
| 4                | <p>Formal council amalgamation proposals should be developed for the following:</p> <ul style="list-style-type: none"> <li>• West Coast, Waratah-Wynyard and Circular Head Councils (into 2 councils);</li> <li>• Kentish and Latrobe Councils;</li> <li>• Break O’Day, Glamorgan-Spring Bay and Sorell Councils (into 2 councils);</li> <li>• City of Hobart and Glenorchy City Councils;</li> <li>• Kingborough and Huon Valley Councils.</li> </ul> <p>The Board acknowledges council interest in and discussions on boundary changes are less advanced in respect of City of Hobart and Glenorchy, and Kingborough and Huon Valley councils, but nonetheless believes that these councils have expressed clear interest in further exploring opportunities. The Board believes there is substantial merit in ensuring that those councils (and their communities) are afforded the opportunity to genuinely explore structural consolidation proposals in greater detail.</p> |

| Recommendation # | Recommendation Headline  |
|------------------|--|
| 5                | A new Local Government Board should be established to undertake detailed assessment of formal council amalgamation proposals and make recommendations to the Tasmanian Government on specific new council structures.  |
| 6                | A Community Working Group (CWG) should be established in each area where formal amalgamation proposals are being prepared. The CWG would identify specific opportunities the Tasmanian Government could support to improve community outcomes.   |
| 7                | In those areas where amalgamation proposals are being developed, a community vote should be held before any reform proceeds, to consider an integrated package of reform that involves both a formal council amalgamation proposal and a funded package of opportunities to improve community outcomes.  |
| 8                | If a successful community-initiated elector poll requests councils to consider amalgamation, the Minister for Local Government should request the Local Government Board to develop a formal amalgamation proposal and put it to a community vote.   |
| 9                | The new Local Government Act should provide that the Minister for Local Government can require councils to participate in identified shared service or shared staffing arrangements.   |
| 10               | Give councils the opportunity to design identified shared service arrangements themselves, with a model only being imposed if councils cannot reach consensus.   |
| 11               | Before endorsing a particular mandatory shared service arrangement, the Minister for Local Government should seek the advice of the Local Government Board.  |
| 12               | If councils are unable to reach consensus on a mandatory service sharing agreement, the Minister for Local Government should have the power to require councils to participate in a specific model or models the Tasmanian Government has developed.   |
| 13               | <p>The first priorities for developing mandatory shared service arrangements should be:</p> <ul style="list-style-type: none"> <li>• sharing of key technical staff;</li> <li>• sharing of common digital business systems and ICT infrastructure; and</li> <li>• sharing of asset management expertise through a centralised, council-owned authority.</li> </ul> |
| 14               | Include a statutory requirement for councils to consult with local communities to identify wellbeing priorities, objectives, and outcomes in a new Local Government Act. Once identified, councils would be required to integrate the priorities into their strategic planning, service delivery and decision-making processes.                                    |
| 15               | To be eligible to stand for election to council, all candidates should first undertake – within six months prior to nominating – a prescribed, mandatory education session, to ensure all candidates understand the role of councillor and their responsibilities if elected.  |

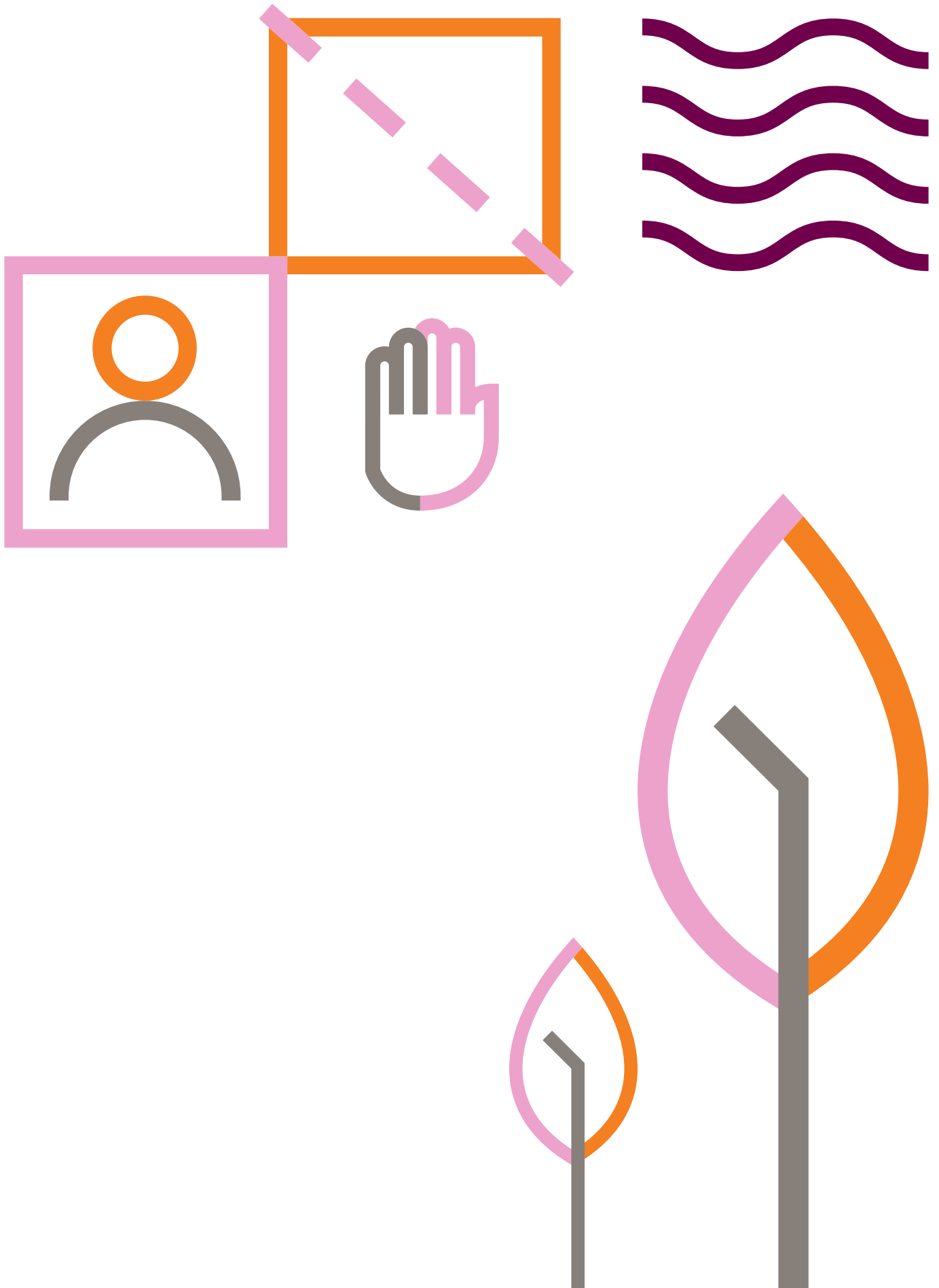


| Recommendation # | Recommendation Headline   |
|------------------|---|
| 16               | <p>The Tasmanian Government and the local government sector should jointly develop and implement a contemporary, best practice learning and ongoing professional development framework for elected members. As part of this framework, under a new Local Government Act:</p> <ul style="list-style-type: none"> <li>• all elected members – including both new and returning councillors – should be required to complete a prescribed ‘core’ learning and development program within the first 12 months of being elected; and</li> <li>• councils should be required to prepare, at the beginning of each new term, an elected member learning and capability development plan to support the broader ongoing professional development needs of their elected members.</li> </ul> |
| 17               | <p>The Tasmanian Government should further investigate and consider introducing an alternative framework for councils to raise revenue from major commercial operations in their local government areas, where rates based on the improved value of land are not an efficient, effective, or equitable form of taxation.</p>  |
| 18               | <p>The Tasmanian Government should work with the sector and the development industry to further investigate and consider introducing a marginal cost-based integrated developer charging regime.</p>  |
| 19               | <p>Introduce additional minimum information requirements for council rates notices to improve public transparency, accountability, and confidence in council rating and financial management decisions.</p>   |
| 20               | <p>Within the context of the national framework, the Tasmanian Government should seek advice from the State Grants Commission on how it will ensure the Financial Assistance Grants methodology:</p> <ul style="list-style-type: none"> <li>• is transparent and well understood by councils and the community,</li> <li>• that assistance is being targeted efficiently and effectively, and</li> <li>• is not acting as a disincentive for councils to pursue structural reform opportunities.</li> </ul>   |
| 21               | <p>The Tasmanian Government should review the total amount of Heavy Vehicle Motor Tax Revenue made available to councils and consider basing this total amount on service usage data.</p>   |
| 22               | <p>Introduce a framework for council fees and charges in a new Local Government Act, to support the expanded, equitable and transparent utilisation of fees and charges to fund certain council services.</p>   |
| 23               | <p>The Tasmanian Government should review the current rating system under the Local Government Act to make it simpler, more equitable, and more predictable for landowners. The review should only be undertaken following implementation of the Board’s other rating and revenue recommendations.</p>  |
| 24               | <p>The Tasmanian Government should work with the sector to develop, resource, and implement a best practice local government performance monitoring system.</p>   |

| Recommendation # | Recommendation Headline  |
|------------------|--|
| 25               | The Tasmanian Government should develop a clear and consistent set of guidelines for the collection, recording, and publication of datasets that underpin the new performance reporting system to improve overall data consistency and integrity, and prescribe data methodologies and protocols via a Ministerial Order or similar mechanism.   |
| 26               | <p>The new Strategic Planning and Reporting Framework should actively inform and drive education, compliance, and regulatory enforcement activities for the sector, and entities with responsibility for compliance monitoring and management – including the Office of Local Government and council audit panels – should be properly empowered and resourced to effectively deliver their roles.</p> <p>As part of this the Tasmanian Government should consider introducing a requirement for councils to have an internal audit function given their responsibilities for managing significant public assets and resources, and whether this requirement needs to be legislated or otherwise mandated. Consideration should also be given to resourcing internal audit via service sharing or pooling arrangements, particularly for smaller councils.</p> |
| 27               | The Tasmanian Government should collaborate with the local government sector to support a genuine, co-regulatory approach to councils’ regulatory responsibilities, with state agencies providing ongoing professional support to council staff and involving councils in all stages of regulatory design and implementation.  |
| 28               | The Tasmanian Government should work with the local government sector to pursue opportunities for strengthened partnerships between local government and Service Tasmania.   |
| 29               | Councils should migrate over time to common digital business systems and ICT infrastructure that meet their needs for digital business services, with support from the Department of Premier and Cabinet’s Digital Strategy and Services (DSS).  |
| 30               | The Tasmanian Government – in consultation with the sector – should review the current legislative requirements on councils for strategic financial and asset management planning documentation to simplify and streamline the requirements and support more consistent and transparent compliance.  |
| 31               | The Tasmanian Government – in consultation with the sector – should investigate the viability of, and seek to implement wherever possible, standardised useful asset life ranges for all major asset classes.  |
| 32               | All Tasmanian councils should be required under a new Local Government Act to develop and adopt community engagement strategies – underpinned by clear deliberative engagement principles.   |

| Recommendation # | Recommendation Headline   |
|------------------|---|
| 33               | A new Local Government Act should require councils, when developing and adopting their Community Engagement Strategies, to clearly set out how they will consult on, assess, and communicate the community impact of all significant new services or infrastructure.  |
| 34               | Following the phase 1 voluntary amalgamation program, the Tasmanian Government should commission an independent review into councillor numbers and allowances.  |
| 35               | The Tasmanian Government should expedite reforms already agreed and/or in train in respect of statutory sanctions available to deal with councillor misconduct or poor performance.   |
| 36               | <p>The Tasmanian Government should:</p> <ul style="list-style-type: none"> <li>• support the Local Government Association of Tasmania (LGAT) to develop and implement – in consultation with councils and their staff – a workforce development toolkit tailored to the sector and aligned with the Tasmanian Government’s workforce development system;</li> <li>• support councils to update their workforce plans at the time of any consolidation;</li> <li>• support LGAT to lead the development and implementation of a state-wide approach to workforce development for key technical staff, beginning with environmental health officers, planners, engineers and building inspectors;</li> <li>• recognise in statute that workforce development is an ongoing responsibility of council general managers and is included as part of the new Strategic Planning and Reporting Framework; and</li> <li>• include simple indicators of each council’s workforce profile in the proposed council performance dashboard.</li> </ul> |
| 37               | The Tasmanian Government should partner with, and better support, councils to build capacity and capability to plan for and respond to emergency events and climate change impacts.   |







## Report Outline

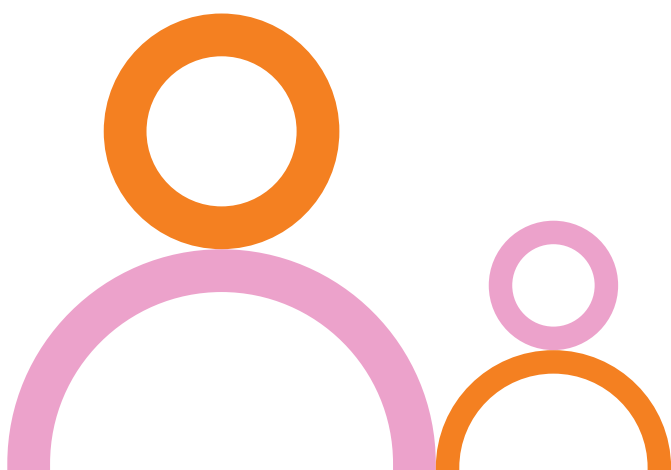
The Final Report is divided into six chapters.

**Chapter 1** sets out a vision for the **future role** of local government in Tasmania, which has at its heart the goal of supporting the **wellbeing, sustainability, and prosperity** of our local communities. It clarifies the unique and critical contribution councils should play in delivering this goal and lays out the high-level **capabilities and resources** our councils require to meet the future needs of communities successfully and sustainably, given the opportunities and challenges the State will face over the next 20–30 years. We explain how the crucial role of councils needs to be more clearly laid out in legislation, and then put into action through a Local Government Charter and a supporting Strategic Planning and Reporting Framework.

**Chapter 2** explains why many local councils – despite their best efforts – are not well-placed to support and deliver their future role given structural constraints of the local government system as it stands. It outlines how **significant and wide-ranging reform is needed** to lift the overall capability of the sector. Drawing on evidence we have gathered throughout the Review, we identify a range of concerning capability deficits in the sector, which – if not addressed – will increasingly inhibit delivery of the infrastructure and services communities need. We also reflect on the structural challenges in our system which make it difficult to garner the political and community support needed to deliver the scope and scale of structural reform that must occur to tackle the limitations in our current model and set the local government sector up for the future.

It also lays out the essential elements of a **proposed reform agenda** for the Tasmanian local government sector. The agenda is focused on delivering the core community outcomes the Board has heard communities value most:

- 1. Achieving healthy and sustainable local communities**
- 2. Delivering better local services**
- 3. Building and maintaining future-ready community assets**
- 4. Ensuring local government represents you and your community**
- 5. Enhancing local job opportunities in councils**



**Chapter 3** lays out our findings and recommendations for **structural reform**. First, we give our views on how Tasmania's future local government boundaries should be drawn to best support communities, based on the research, analysis, and engagement we have undertaken during our Review. Acknowledging the current lack of support for mandated council boundary changes, we set out a proposed model for **encouraging voluntary amalgamations** supported by new arrangements for **mandating shared services arrangements** as a way of moving towards that future reform.

**Chapter 4** lays out the Board's findings and recommendations on **specific reforms** which will play an essential role in improving the governance, performance management, and funding of Tasmania's local councils, and which will be most effective if delivered in conjunction with our proposed structural reforms. Our specific reforms are the culmination of an extensive program of options development, testing, and refinement we have undertaken throughout the Review. They have been formulated based on broad sectoral and community consultation.

**Chapter 5** sets out the Board's recommendations for **implementing the proposed reform agenda**, including indicative timeframes, governance arrangements, and resourcing requirements.

**Chapter 6** deals with technical procedural matters under the *Local Government Act 1993* (the Act) in relation to next steps for the Government in consulting on and responding to the Final Report. The Final Report also includes two supporting **appendices**, which provide further detailed information and analysis in relation to the:

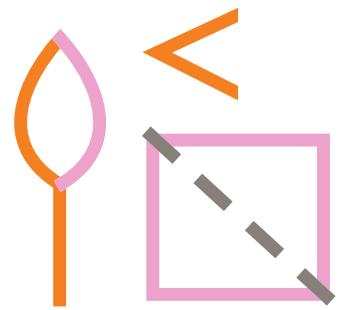
- high-level viability analysis supporting the Board's proposed future local government areas (Appendix 1); and
- process and approach the Board has taken to the Review, with a specific focus on its extensive state-wide community consultation and engagement activities (Appendix 2).





# **1. A Future Vision for Local Government – Building Strong, Prosperous, and Resilient Local Communities**





## Key Takeaways

- > Effective and capable local councils will be an essential enabler of Tasmania's future prosperity and wellbeing.
- > The local government sector needs to be able to effectively partner with the Australian and Tasmanian Governments on wellbeing. A key part of this is ensuring councils are clear on their role and have the capability and resources to deliver on it.
- > Councils already support community wellbeing in a range of important ways. There are things local councils can do better than other spheres of government, assuming they have the right capability and resources at their disposal.
- > Our current system means many councils are unable to meet increasingly complex community needs in a way that is equitable and consistent. In part this is because our system of local government still reflects the structure, functional and service requirements, and funding mechanisms established during the last significant reform process thirty years ago. Councils are structurally constrained by an institutional framework that is no longer fit for purpose.
- > The community does not want councils to radically change the range of services and functions they currently provide. But councils do need a more clearly defined and well-understood mandate so they can strategically build their capability to support their communities' wellbeing priorities and focus on their areas of comparative strength and formal responsibility.
- > The contemporary role of local government – focused on supporting community wellbeing, first and foremost – should be enshrined in a new principles-based Local Government Act.
- > A Charter for Local Government should also be instituted to lay out how councils will support the communities they serve, the duties and principles they are bound by, and the standards of conduct, governance, representation, and service delivery they will uphold. It should also set principles for and parameters around a renewed partnership between councils and the Tasmanian Government.
- > The Charter should frame and drive a renewed Strategic Planning and Reporting Framework for councils.
- > This will allow councils to track and improve their performance and communities to hold councils to account. It should also support prudent regulatory oversight of the sector. The goal should be a culture of continuous improvement across the sector.

## Local councils, current community challenges, and future wellbeing

During the Review, we have been struck by the value Tasmanians put on their connections to local places, and the strength of local community networks that are integral to those connections. We see time and again how Tasmanian communities rally and support each other in the face of emergencies, disasters, and crises. The future prosperity of Tasmania relies on the strength

and resilience of its local communities and, by extension, its councils.

But we have also heard of the growing list of challenges our communities are facing, and will continue to face, over the next 30 years – from an ageing population, climate change and associated natural disasters, to increased cost of living pressures, growing social inequality, and unexpected global crises such as the COVID-19 pandemic (see Table 1).

Table 1: Tasmania's future needs and challenges – key dimensions

|  |   |
|--|---|
| <p><b>Demographics</b></p>                     | <ul style="list-style-type: none"> <li>• The Tasmanian Treasury's updated 2022 medium-term population projection suggests that while Tasmania has been experiencing strong population growth, population is projected to plateau by mid-century and decline in regional Tasmania due to the ageing of the population.</li> <li>• Tasmania has uneven patterns of regional development, and thus demographic development – causing significant, differential population change across Tasmania's LGAs.</li> <li>• 20 LGAs have a median age older than the State's median age of 42.3 years.</li> <li>• 16 of Tasmania's LGAs are experiencing 'hyper-ageing', where more than 20 per cent of the population is aged over 65 years, indicating imminent natural population decline.</li> </ul> |
| <p><b>Health and wellbeing</b></p>             | <ul style="list-style-type: none"> <li>• Tasmanians have higher rates of a range of chronic health conditions compared to the national average and are more likely to be daily smokers and overweight or obese.</li> <li>• Tasmanians are more likely to experience disability or mobility challenges than the national average, and a sizeable proportion require assistance with daily activities.</li> <li>• These challenges are especially acute in regional Tasmania, as many residents with elevated levels of need live a significant distance from vital services.</li> </ul>  |
| <p><b>Housing and workforce</b></p>            | <ul style="list-style-type: none"> <li>• Tasmania's rental market is among the least affordable in the country, and a high proportion of Tasmanians experience housing stress. Tasmanians also have the lowest median weekly incomes in the nation.</li> <li>• Rents and property prices are increasing faster in regional areas than in cities, and income disparity is stark in regional Tasmania.</li> </ul>   |
| <p><b>Geographic scale, climate change</b></p> | <ul style="list-style-type: none"> <li>• Tasmania has more councils for its land area than any other Australian state or territory (six times the national average), creating coordination and management challenges in emergency or disaster situations.</li> <li>• Tasmanian communities are facing increased risk of extreme weather events. Growing disaster risk in regional areas poses an especially dire threat to people, agriculture and key infrastructure, and to the natural environment.</li> </ul>   |

Communities have increasing expectations that governments at all levels will support them in addressing these challenges. These expectations are best understood and most acutely felt by local government, the sphere of government closest to the people. Councils have told us they need to be properly empowered and resourced to play their vital role shaping communities that are healthy, prosperous, and resilient.

Our current system means many councils are unable to meet increasingly complex community needs in a way that is equitable and consistent. In part this is because our system of local government still reflects the structure, functional and service requirements, and funding mechanisms established during the last significant reform process 30 years ago. While councils have evolved and adapted to meet emerging and future community needs as best they can, they are structurally constrained by an institutional framework that is no longer fit for purpose.

For the sector to build the requisite capability to deliver the services and functions communities need, there must be a reframing of the legislative framework that governs the sector. First and foremost, this must be underpinned by a clear consensus on, and definition of, the role councils play in supporting communities, and how this differs from and supports other spheres of government.

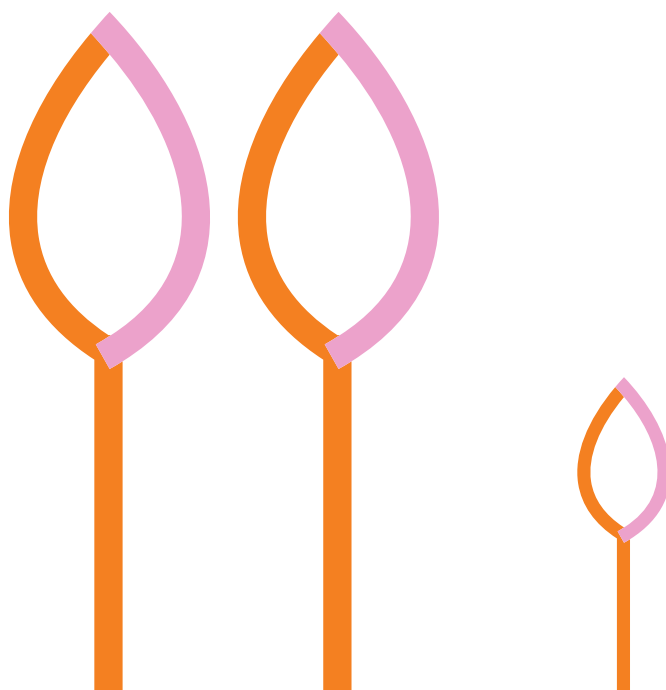
### The emergence of ‘wellbeing’ as a focus for government

In July 2023 the Australian Government released [Australia’s first Wellbeing Framework](#), featuring 50 indicators across five key themes – healthy, secure, sustainable, cohesive and prosperous. The Australian Government is currently working to embed these indicators into all facets of its decision making.

The Tasmanian Government is currently developing its own [Wellbeing Framework](#) and [Sustainability Strategy](#), both with a focus on how we can best support the wellbeing and sustainability of Tasmanian communities into the future.

The local government sector needs to be able to effectively partner with the Australian and Tasmanian Governments on wellbeing. A key part of this is ensuring councils are clear on their role and have the capability and resources to deliver on it.

Below, we recommend a new legislated role for local government that puts improving wellbeing of communities at the centre of everything councils do.

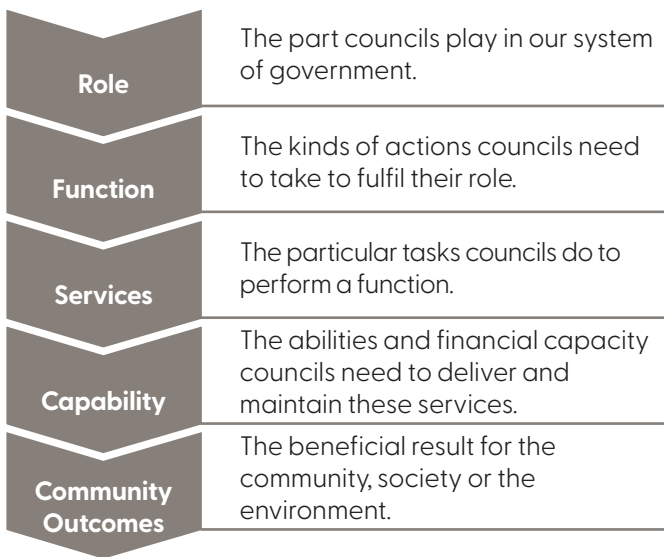


## Clarifying local government’s role

We said in our Stage 1 Interim Report that reaching a clear community consensus on the future role of local government in Tasmania was the single most important task for the Review.

Clearly defining the future role of local government is necessary to guide the scope of functions and services councils should deliver, the capabilities they need, and the outcomes they can deliver for their communities (see Figure 1).

Figure 1: How defining the role of local government leads to community outcomes.



A strong, clear, and well-accepted expression of the role of local government has three benefits:

- First, it will help limit the ongoing ‘scope creep’ of council services and functions the Board has heard about.
- Second, it will better clarify the respective functional responsibilities of councils, the Tasmanian Government, and the Australian Government, which will underpin more effective agreement and collaboration between local government and other spheres of government on service delivery, advocacy, and facilitation.
- Third, it will be a foundation for better accountability to the community through more robust, transparent, and comparable reporting.

In this section, we provide our views on the future role of local government in Tasmania based on the research and engagement we have undertaken. We explain how a clearly defined role can be ‘given life’ and embedded more actively and deliberately into council decision-making.

### Local government’s role is not well-defined, and this is contributing to a range of issues.

Tasmanian legislation does not clearly define the role for local government. The *Constitution Act 1934* broadly establishes local government and provides that councils will have such powers as “Parliament considers necessary for the welfare and good government of the area in respect of which the municipality is constituted”.

Section 20 of the *Local Government Act 1993* sets out the following high-level ‘functions and powers’ for Tasmanian councils:

- to provide for the health, safety and welfare of the community;
- to represent and promote the interests of the community; and
- to provide for the peace, order and good government of the municipal area.

The Local Government Act further provides that “... in performing its functions, a council is to consult, involve and be accountable to the community”.

The current framework is intended to support a ‘general powers of competence’ approach, with a council given broad latitude to do what it considers necessary to perform its functions (both within and outside its municipal area).

However, throughout the Review, we heard there was confusion and some disagreement about the role local government currently plays and should play in the future. This is being driven by several factors:

- Communities are demanding an expanding range of services from councils – shifting from the traditional role of infrastructure provision and ‘services to property’ towards supporting the wellbeing, resilience, connectedness, identity, and culture of local communities, or ‘services to people’.
- Councils feel the pressure to provide these new services more directly than other spheres of government due to their proximity to the community.
- Councils regularly become a ‘provider of last resort’ where there are market failures or service gaps left by other spheres of government or the non-government sector.
- Councils are required to take on regulatory and service delivery responsibilities that arise from Tasmanian Government policies or programs, sometimes without the adequate funding or support they need to be successful.

Because the role of local government has not been expressly defined, it has evolved organically over time. The role has come to be defined by the functions and services that councils deliver, rather than the other way around.

This is complicated by the fact that community needs and priorities vary around the State – in rural and urban areas, on the main island and on remote islands – and the expectation of councils’ role in these communities varies accordingly. For example, Flinders Council assumes functions not ordinarily performed by councils, including airport management, funeral directorship, and maintenance and emergency works for TasWater and the Department of State Growth.

This has made it difficult to assess whether councils have the right capabilities to serve their communities most effectively. The breadth and ‘fuzziness’ of local government’s role is also undermining effective coordination between councils, the Tasmanian Government, and the Australian Government, which sometimes manifests as ‘burden-shifting’.

We also discovered through our sentiment research that the community mostly does not mind who provides many services so long as they are delivered at an acceptable cost and to a standard that meets their needs. The community simply wants all levels of government to work together more effectively in their interests – and for their interests to be well understood and well represented by a strong local voice.

### **The role of councils in 21st Century Tasmania**

The Board is of the view – and this is supported by the sector and communities – that there is nothing manifestly wrong with the range and scope of current services and functions councils are performing. We do not believe there is a convincing case to radically change local government’s role from their traditional functions or services, nor to prevent them from providing more ‘people-focused’ services.

The core issue lies in the fact that councils are taking on broader responsibilities often without formal recognition or supporting structures or resources. Councils need a clear mandate to build capability to support the wellbeing of their communities and transparent and effective supporting structures which ‘give life’ to the wellbeing objective. This mandate can be created by better articulating councils’ role in legislation via a new overarching role statement supported by a Local Government Charter.



## The role statement - A future vision for local government in Tasmania

In its Stage 1 Interim Report, the Board put forward a high-level role statement based on our early research and engagement. The role statement focuses on supporting and improving the wellbeing of Tasmanian communities, consistent with the increasingly important part our councils play in shaping places and communities.

This includes providing high quality and increasingly sophisticated representation, engagement, and community advocacy, as well as facilitating and coordinating programs and projects at a community level. Place-shaping also includes vital social, economic, and community development and environmental management functions, strategic land-use planning, and targeted place-based wellbeing initiatives in response to distinctive community needs or preferences.

During the Review, many respondents highlighted the vital role that councils play in promoting social, economic, and environmental sustainability at the local level, as well as in planning for and mitigating climate change impacts. We felt it was important to acknowledge these explicitly in the role statement.

The Board considered whether the role statement needed to be more detailed, comprehensive, and prescriptive, for example by setting out a specific list of responsibilities for councils and clearly excluding others. However, in response to council and community feedback, the Board decided a highly prescriptive role statement would unhelpfully constrain councils from responding to the needs and priorities expressed by communities.

The role statement establishes an overarching 'vision' for the sector, while still giving councils the flexibility to meet the unique needs and priorities of their local communities. The role statement ensures councils are clear on their purpose and embed community-focused wellbeing and sustainability considerations into all their strategic planning and service delivery functions.

**Recommendation 1:** Define in Tasmania's new Local Government Act the role of local government consistent with the statement below:

The role of local government is to support and improve the wellbeing of Tasmanian communities by:

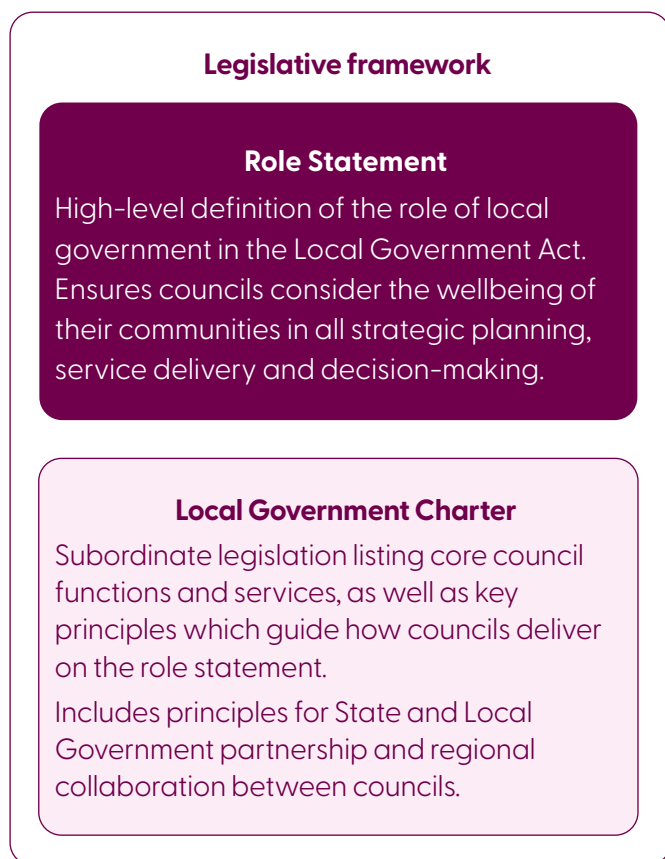
- harnessing and building on the unique strengths and capabilities of local communities;
- providing infrastructure and services that, to be effective, require local approaches;
- representing and advocating for the specific needs and interests of local communities in regional, state-wide, and national decision-making; and
- promoting the social, economic, and environmental sustainability of local communities, including by mitigating and planning for climate change impacts.

## Local Government Charter

While the role statement should be high level and fixed in legislation, we believe that a more detailed Charter should be defined in a more flexible instrument like regulations.

The Charter will provide clear guidance for how councils support the communities they serve, the duties and principles they are bound by, and the standards of conduct, governance, representation, and service delivery that underpin council administration. Figure 2 shows how the role statement and the Charter would work together as part of a new legislative framework for the sector.

Figure 2 – Defining council's role in legislation



A Charter will also clarify the core 'uniform' functions and services of councils. It will provide guidance on the relationship, roles, and responsibilities of local government in relation to, and in collaboration with, other spheres of government – particularly the Tasmanian Government.

Critically, it will also set out the principles and parameters for where and how councils will work together on strategic issues – such land use and settlement planning, economic development, and emergency preparedness and response – at the regional level and state-wide level. We know councils already work together effectively across a range of regional governance mechanisms and a Charter provides an opportunity to formally recognise, embed, and further strengthen existing collaborative practices.

We have not determined the specific contents of the Charter, noting it needs to be developed in close collaboration with the sector, and must be relevant and fit for purpose for Tasmania's system of local government. However, as a starting point it should contain the core features set out in Figure 3 core features.

Figure 3: Proposed contents for Local Government Charter

### **A Local Government Charter – what should be in it?**

- > A list of core council functions and services.
- > Principles and practices to guide when and how councils should move into areas outside these core responsibilities.
- > Principles for good governance.
- > Principles for good financial management.
- > Principles for deliberative community engagement.
- > Principles that ensure councils promote the social, economic, and environmental sustainability of local communities, including mitigation and planning for climate change impacts.
- > Clarification and expansion of the council role statement, for example:
  - > Representing and advocating for the specific needs and interests of local communities in regional, state-wide, and national decision-making

“This means local government is an effective local advocate in those areas where it does not have direct service delivery responsibility and works with other levels of government to facilitate and deliver the things their communities need most. Local government becomes a broker and delivery partner in a range of areas, in varying capacities.”
- > Principles for collaboration and coordination between neighbouring councils to address regional challenges and opportunities effectively.

**The Charter should also set out how the Tasmanian Government will support the sector deliver on its remit, including clear undertakings in relation to respective service area responsibilities and obligations, and clear processes for consultation where the Tasmanian Government makes decisions impacting on the sector.**

This will support closer and more effective collaboration and engagement between the spheres of government. The Charter should set out principles which:

- > provide a means for the Tasmanian Government and local government to genuinely discuss responsibilities and expectations, and develop targeted priority plans to resolve strategic sector-wide issues as they occur; and
- > ensure that when the Tasmanian Government seeks to divest or impose any new regulatory or service responsibilities onto local government, the sector and the community is appropriately consulted and supported to fulfill these responsibilities.

**In short, the Charter should establish the core functions and guide the necessary capabilities for Tasmanian councils to successfully deliver on their role.**

A legislated role statement and a clarifying Charter in subordinate legislation is consistent with and supports the Government's commitment to develop a new Local Government Act. In response to the Local Government Legislation Review, the Government committed to creating principles-based legislation that sets the principles of good governance, community engagement, and financial management for the governance and operations of local government, with supporting detail in regulations to provide clarity and flexibility.

**Recommendation 2:** the Tasmanian Government – through subordinate legislation - should implement a Local Government Charter to support the new legislated role for local government.

The Charter should be developed in close consultation with the sector and clarify and consolidate councils' core functions, principles, and responsibilities, as well as the obligations of the Tasmanian Government when dealing with the sector as a partner in delivering community services and support.

### Putting the role into practice

To put the role into practice, councils will need a planning and reporting framework that provides a 'clear line of sight' from the high-level strategic vision, through the capabilities they need, and down to operational plans and policies that councils use to manage their services and infrastructure. This framework should also inform how the Tasmanian Government partners with and regulates the sector.

To do this, Tasmania should follow the lead of other Australian jurisdictions by implementing a renewed Strategic Planning and Reporting Framework. The planning component of this Framework should help councils to understand their community's priorities, and to identify the capabilities and resources they need to deliver those priorities. The reporting component will allow councils to be accountable to their communities for delivering those priorities and show how they are performing in comparison to other councils.

The Strategic Planning and Reporting Framework can also facilitate partnerships with the Tasmanian Government, providing a means to deliver on, and be accountable for, legislative responsibilities and funded projects and partnerships.

Legislation would set out the key elements of the Framework. Improved performance monitoring and accountability mechanisms would be aligned to the Framework and guide regulatory oversight entities like the Office of Local Government in its role supporting the sector to improve its own performance.

A critical element is the development of a core suite of agreed performance measures that cover the core roles and functions of councils as well as service quality and cost. Regular, highly transparent reporting of absolute and relative council performance against these metrics would ensure councils are accountable to their communities for delivering on their role, and areas for improvement are readily identified.

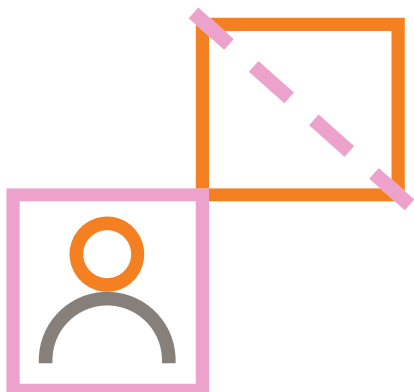
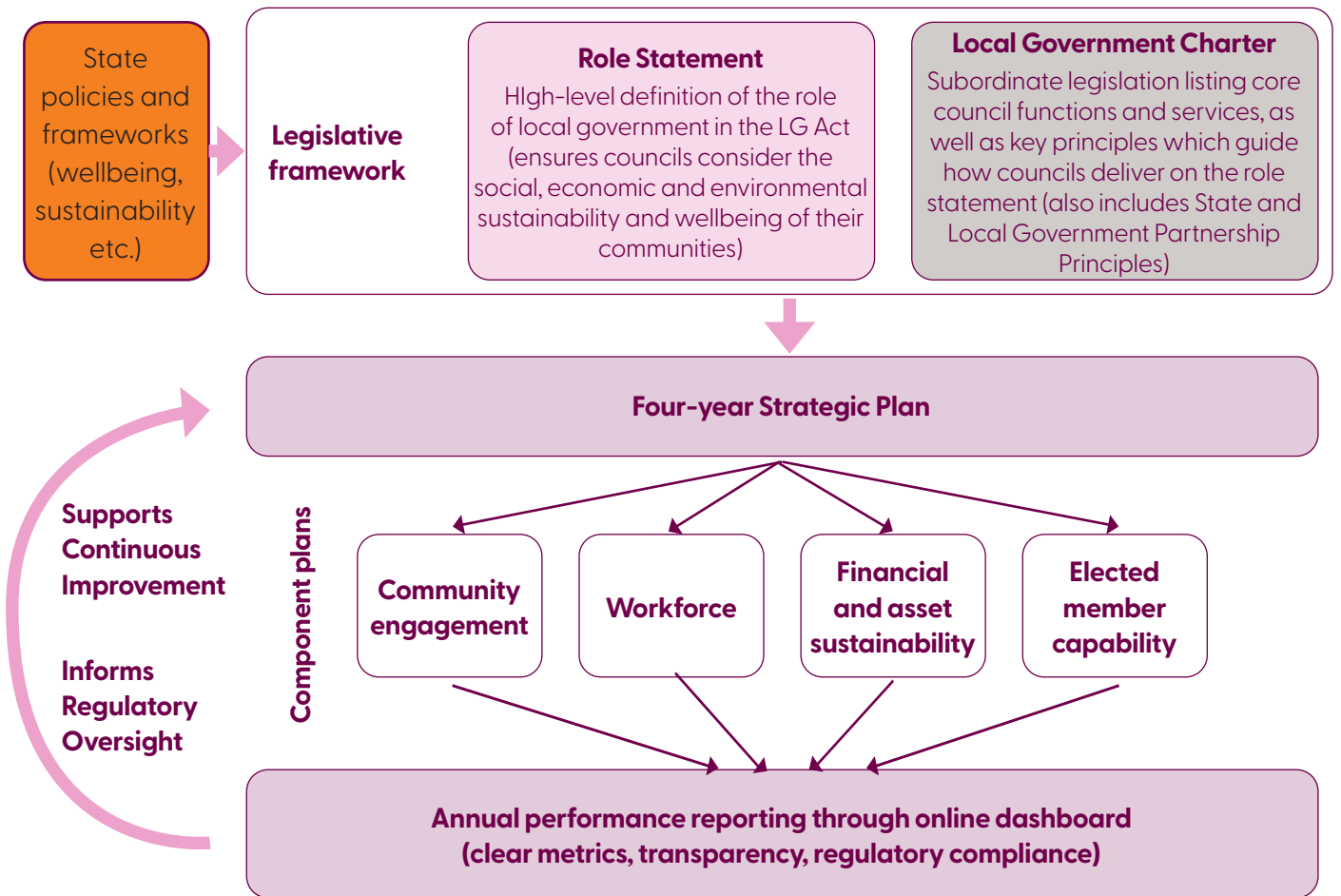
Figure 3 shows how the components of the proposed Framework interact.

**Recommendation 3:** That the Tasmanian Government work with the sector to develop, resource, and implement a renewed Strategic Planning and Reporting Framework that is embedded in a new Local Government Act to support and underpin the role of local government. Under this Framework councils will be required to develop – within the first year of every council election – a four-year strategic plan.

The plan would consist of component plans including, at minimum:

- a community engagement plan;
- a workforce development plan;
- an elected member capability and professional development plan; and
- a financial and asset sustainability plan.

Figure 4: Strategic Planning and Reporting Framework - Implementing the role of local government



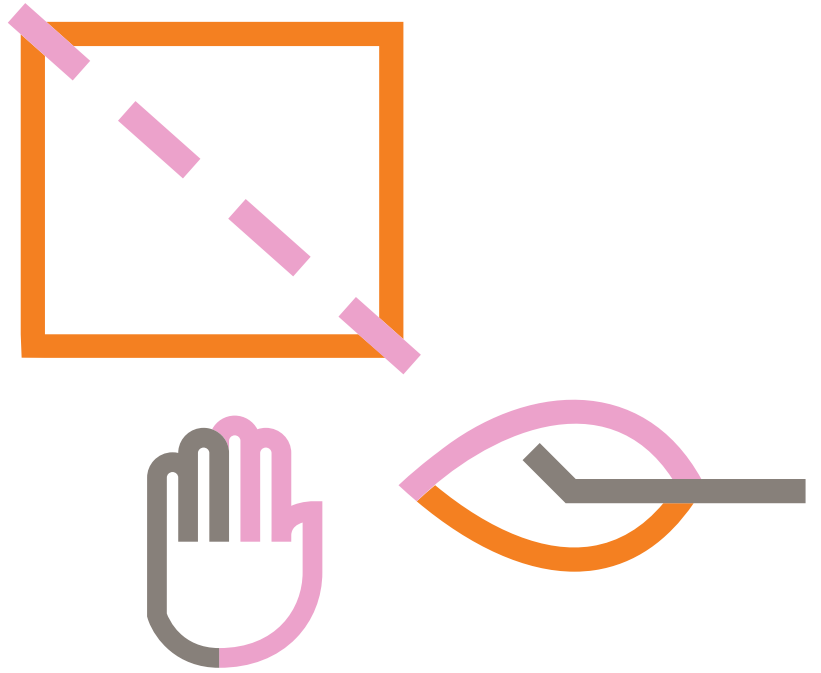








## 2. The Case for Change: Why Major Reform Remains Essential



## Key Takeaways

- > Tasmanian communities are not best served by retaining our current local government system. Many councils will struggle to deliver for their communities in the future, unless we make significant changes to how our current system is structured and funded, and how it delivers services.
- > Maintaining 29 councils results in unhelpful competition, fragmentation, and duplication. It also makes it harder to achieve cooperation on important regional and state-wide issues.
- > Smaller rural councils already find it hard to meet regulatory responsibilities in areas like building control and food safety, and to manage critical community infrastructure assets.
- > The 29 council model is well overdue for reform and needs to evolve to meet current and future community needs and priorities.
- > Councils will face increasing demands on their resources in the years ahead due to complex and growing community needs.
- > Councils will need the capability to support communities through emergencies and unexpected crises, such as the COVID-19 pandemic and natural disasters. These challenges will be felt most acutely in regional and remote communities where we know capability is already often stretched too thinly.
- > The problem is not with individual councils, but the broader structure of the local government sector itself.
- > The community understands and supports the need for change. Our research shows most Tasmanians believe we should have fewer councils, and that they support reforms to enhance the capacity of the sector to deliver better services, in particular greater resource-sharing.

## The case for change

In Chapter 1, we set out a clear vision for the role of local government in Tasmania in supporting the wellbeing and prosperity of our local communities. We also described how a new planning and reporting framework – and greater clarity about the role of councils – could guide the identification and development of the core capabilities councils need.

We believe there is broad support and agreement in the sector and broader community on what councils need to be able to do well, and what it looks like when they are succeeding.

We have identified – through an extensive program of research, analysis, and engagement – clear evidence that some councils will struggle to be able to deliver for their communities in line with this vision unless we make significant changes to how our current system of local government is structured and funded (see Table 2).

In summary, we found:

- our current system of 29 councils has a significant and detrimental impact on the ability of those councils to attract and retain key staff, to uniformly manage assets well, and to deliver important regulatory functions;
- concerning capability gaps across the sector, driven in part by workforce and skills shortages, leading to sub-standard delivery of important regulatory functions and highly uneven asset management practices. These gaps and challenges are being felt more acutely in smaller, rural councils and are exacerbated by many councils competing for the same staff; and
- at a strategic level, the competition, fragmentation, and duplication of effort which naturally occurs across so many different councils hinders collaborative effort and outcomes when it comes to effectively managing regional and state-wide challenges.

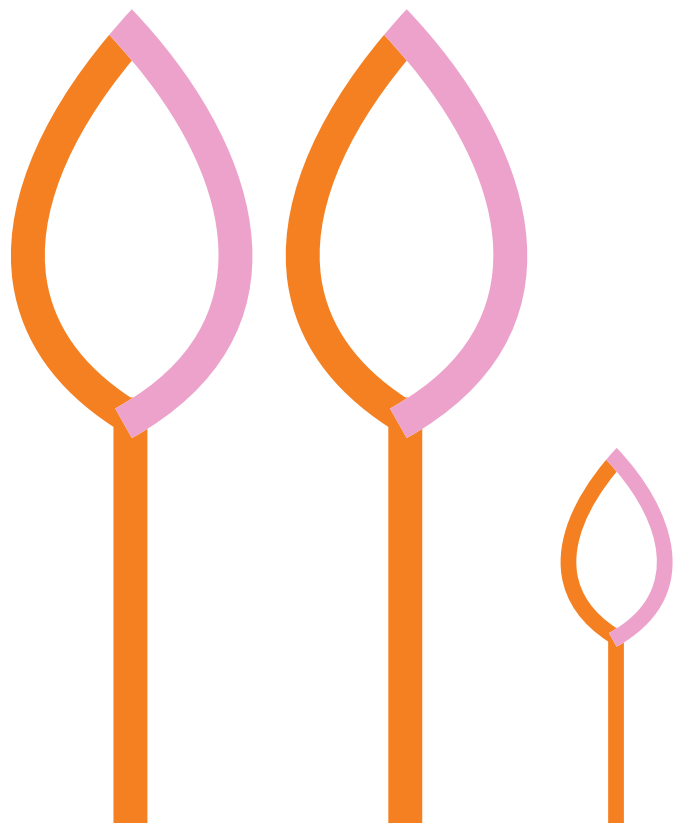




Table 2: Local government capability gaps

| Capability gap   | Evidence   |
|--|--|
| <b>Workforce shortages</b>                                     | In 2018, 69 per cent of councils were experiencing a skills shortage and 50 per cent were experiencing skills gaps. In 2022 this had worsened, with 86 per cent of Tasmanian councils experiencing a skills shortage. Engineers, town planners, environmental health officers, and building surveyors were in the top five areas of shortages.   |
| <b>Gaps in public health monitoring and reporting</b>          | 62 per cent of councils are failing to carry out all the food safety inspections recommended to protect the public from dangerous food poisoning risks like Salmonella. 72 per cent of councils are failing some of their responsibilities for monitoring water in pools and outdoor sites for safe swimming. Smaller councils were more likely to be failing in these responsibilities than larger councils.  |
| <b>Uneven enforcement of building and plumbing regulations</b> | 69 per cent of councils are failing to perform the plumbing inspections required to ensure public safety and prevent risks like waterborne illness. 31 per cent issued some plumbing permits without site inspections. When building orders were not complied with, councils failed to take follow up action in 79 per cent of cases. On these plumbing and building measures, larger councils were more likely to be fulfilling their responsibilities than smaller councils. |
| <b>Planning to maintain roads and other council assets</b>     | A review of asset management plans <sup>2</sup> has found high levels of noncompliance with minimum statutory requirements. Only 42 per cent of rural councils were compliant in 2020-21, compared with 60 per cent of urban councils. Many councils used longer-than-recommended useful lifespans when valuing their assets. There are instances in which major asset classes like stormwater infrastructure have not been accounted for at all.                              |

## Our current council boundaries no longer reflect contemporary Tasmanian communities

Tasmanian communities have changed significantly since our local government boundaries were last re-drawn 30 years ago. The ways in which we live, work, and socialise have been transformed over the past generation and we are an increasingly multicultural and diverse society. These social, demographic, and technological changes have implications for the scale and organisation of local government. Patterns of settlement, commuting, and employment have all changed significantly across the State.

Major demographic changes have also taken place: the median age in Tasmania today is 42, eight years older than in 1993, and our population has grown by almost 100,000 people, with the majority settling either in urban areas or in nearby ‘lifestyle’ locations. Tasmania is also far more multicultural and diverse than in 1993. Thousands of new arrivals from countries like Nepal and India have enriched our cultural life and contributed to shifts in community-level preferences, needs, and aspirations. Major new urban areas have developed, improved roads have reduced travel times, and the internet has revolutionised many aspects of the way people live and work.

<sup>2</sup> Howard, RJ 2023. Review of Council Strategic Asset Management Plans and Practices. Report for the Future of Local Government Review. (<https://www.futurelocal.tas.gov.au/wp-content/uploads/2023/04/230331-Tas-AM-Review-Update-V4.pdf>)



Research conducted for the Review has highlighted how local government has evolved as the communities it serves have changed. When, in the late 19th Century, towns were isolated and had to be self-sufficient, Tasmania was governed by an estimated 366 local authorities of various kinds. The first Tasmanian Local Government Act was passed in 1906, reducing the number of councils to 50. While a small number of council mergers occurred during the 20th Century, the next major reform was in 1993, with the passage of the current Act and a reduction in councils from 46 to the 29 we have today<sup>3</sup>.

The increasing mobility and connectedness of contemporary Tasmanians means that the logic that underpinned council boundaries even 30 years ago does not necessarily still apply today.

There remains broad agreement across the Tasmanian local government sector that structural reform is needed, and that it will require strong and courageous leadership, direction, and support from the Tasmanian Government to make it happen.

While views diverge on the exact form that reform should take, there is consensus on three fundamental points:

- The status quo is neither an optimal nor sustainable model for the sector, given growing demands, complexity, and sustainability challenges.
- Some form of consolidation is necessary to deliver greater economies of scale and scope, at least for some services.
- The scale and extent of the consolidation needed to deliver significantly better services will, unfortunately, not occur on a purely voluntary basis within the current framework.

The community understands and supports the need for change. Community sentiment research<sup>4</sup> we have conducted shows most Tasmanians believe we should have fewer councils, and that they support reforms to enhance the capacity of the sector to deliver better services, in particular greater resource sharing. The reasons people give for thinking we have too many councils include that our population is too small, that the current system is too expensive, and fewer councils would be more efficient, and we should have council consolidation or greater resource sharing.

With no change to Tasmania's system of local government, only 14 per cent of Tasmanians feel things will get better, while almost half believe they will get worse. The main reasons for this sentiment included councils and councillors not being appropriately equipped to be 'forward thinking' and manage future issues, including challenges with population growth and ageing.

We also heard from ordinary Tasmanians that there are areas where they feel councils could significantly improve how they serve local communities, particularly when it comes to management of roads and other key infrastructure assets. Tasmanians' overall assessment of how well councils serve their local area showed that 30 per cent had a positive view, 50 per cent were neutral, and 20 per cent had a negative view of performance, with more people in rural and remote communities not feeling as though their council were performing well.

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3 Tasmanian Policy Exchange 2022. *The History of Local Government in Tasmania*. Prepared for the Future of Local Government Review. University of Tasmania.

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4 Institute for Regional Futures 2023. *The Future of Local Government Review. Community Sentiment Summary Report*. University of Newcastle.

## Community sentiment on reform – key insights

The Board commissioned the University of Newcastle to research Tasmanian community sentiment on local government, including potential reform. The research involved a survey of a representative sample of 1000 Tasmanians (the largest of its type ever undertaken in Tasmania on this topic) and focus group sessions with 148 people across all nine of the Board's 'community catchments'.

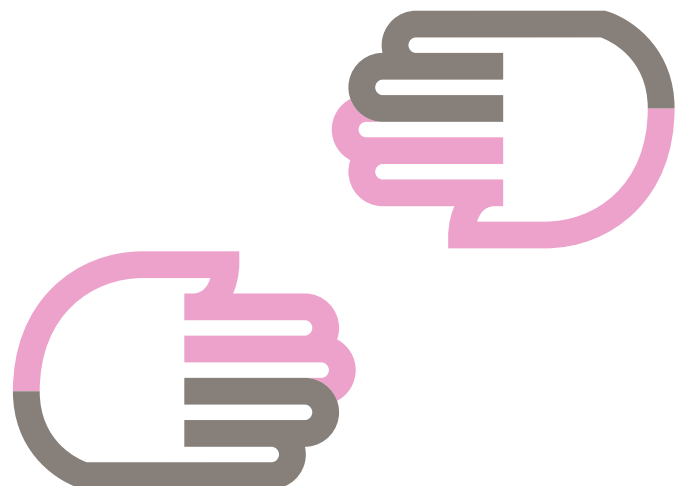
Overall, there is strong community support for reducing the number of councils in Tasmania and for improving the way councils work together and with other levels of government. However, many community members are cautious about change, and want to better understand the benefits and costs of reform before fully committing to amalgamations in particular.

### Key insights from the research included:

- > **Boundary adjustment:** The majority of Tasmanians support the boundary adjustment of council boundaries in principle, but require more detailed information at a local, granular level for that support to extend to their specific council.
- > **Representation and identity:** Opposition to boundary adjustment is a view held with significantly higher conviction than those supporting structural reform. This is especially the case in regional areas where loss of representation, local identity, and tailored service delivery remain key concerns.
- > **Cost of living:** Current cost of living pressures had a high degree of influence on prevailing attitudes toward council reforms, and the impact of reform on rates and charges was the most commonly voiced concern in the focus groups.
- > **Shared services:** Support for shared services across council boundaries is high and unqualified. However, there is limited consensus as to which specific services (such as waste management, administration, procurement, etc.) could be shared across councils, provided at a regional level, or delivered by a state-wide agency.

The root problem is not with individual councils but the structure of our local government system itself. Councils – particularly smaller rural councils – face a range of pressures beyond their control and have only limited options available to them to respond within the current system of local government.

These pressures are inherently structural and relate to things like growing demand for more (and more costly) services, shrinking rates bases, input cost increases, labour force and skills shortages, and climate change impacts. The Board believes the only appropriate response to structural constraints is structural reform.

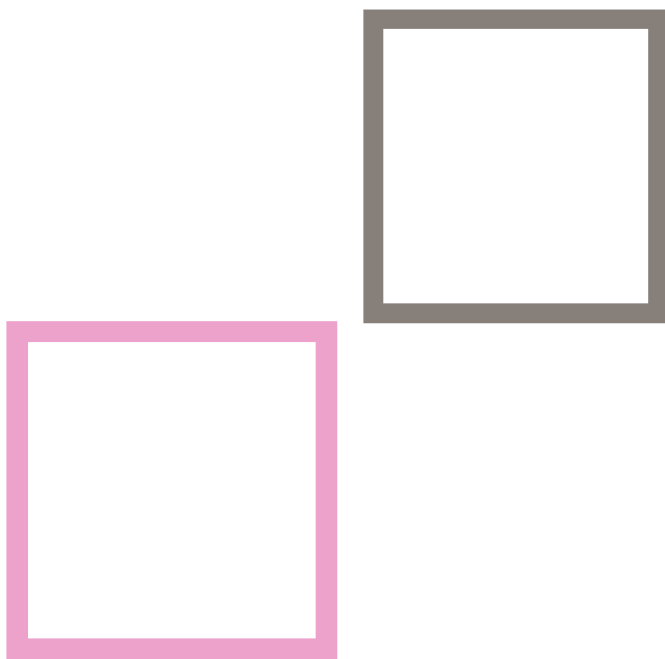


## Structural reform is needed if our future councils are to be successful and sustainable

Given these findings, the case for substantive structural reform is strong, if the objective of the Review – to create a more robust and capable system of local government – is to be realised.

If the status quo continues, and there is no meaningful reform of the sector, significant challenges will continue to emerge. Without reform, there will, inevitably, come a ‘tipping point’ where some councils will not be able to function effectively. The opportunity cost of inaction is too great to ignore.

In our Stage 2 Report we advanced the view that structural reform of the sector was an essential component of any effort to lift the overall capacity and capability of the Tasmanian local government sector. We proposed a shift towards a system of fewer, larger councils as a central element of building the scale we believe is needed to underpin the sector’s future capability.



5 Local Government Board 2022. The Future of Local Government Review Options Paper. Department of Premier and Cabinet.

## Why larger councils? The benefits of changing boundaries

In terms of enhancing capability, we have identified<sup>5</sup> the advantages of moving to a system of larger councils:

- > Redrawing local government boundaries would enable councils to better reflect today’s diverse, connected, and mobile communities.
- > Larger councils should have increased scope to provide a wider range of higher quality services in response to community need, without compromising economies of scope.
- > Larger and more capable councils would have the resources and systems to systematically engage with and represent their communities.
- > Tasmania’s large number of councils creates unnecessary divisions and duplication of service provision in neighbouring regions, especially in metropolitan areas.
- > Adjusting boundaries to better reflect communities of interest would result in more consistent strategic planning, services, and regulation.
- > Larger councils can have greater capability and capacity, can be better at attracting and retaining skilled workforces, and can have a greater diversity and standard of elected representatives.
- > Larger councils have greater capacity to establish strategic partnerships with other levels of government and organisations, allowing them to become more effective and successful advocates for their communities.
- > Larger councils would either fully or partially negate the need for complex shared services arrangements.

If 'scaling up' is well designed, planned, and properly supported by the Tasmanian Government, we think the sector can and will significantly improve the overall quality and range of services provided to Tasmanians. Further, the sector should be able to act as a more effective partner to support a range of important social, economic, and environmental outcomes, and become a more attractive place to work.

However, structural reform is not a panacea and would need to be complemented by both increased and more effective service sharing arrangements at the regional or even state-wide level, and by a range of specific and targeted reform measures aimed at improving councils' governance and funding frameworks.

To advance the structural reform discussion, we released for consultation nine 'community catchment' maps, and a series of scenarios for reorganising Tasmania's local government boundaries to deliver greater scale in a way that also reflects how contemporary Tasmanians live and work<sup>6</sup>. These scenarios prompted some valuable conversations between councils and in the broader community about potential future structural arrangements.

While there is currently limited appetite to pursue non-voluntary council boundary changes, we still believe structural reform to create a system of larger, more capable councils is needed to set up the local government sector for future success.

## Overcoming barriers to consensus on structural reform

We have seen firsthand during the Review the significant challenges governments can face in mobilising council and community support for moving to a system of fewer, larger councils.

While it is easy to suggest opposition to council amalgamations is simply because of self interest in the sector or a failure of political leadership to make 'hard decisions', the reality is more complex. We have heard repeatedly throughout our extensive program of engagement that communities place a high value on local democratic representation. Tasmanians and their elected representatives therefore need to be confident that major and complex policy changes to local government will not compromise or diminish these crucial functions.

It is local communities themselves who will need to drive the case for structural reform, at least to some extent. For this to happen, several conditions need to be met.

### **First, communities need a clear and accurate picture of how well their council is serving them.**

Inconsistent and at times unreliable data on council performance currently makes it hard to establish a strong and clear evidence base for absolute and relative council performance. Sourcing reliable, consistent, and timely data has been a challenge throughout the Review, particularly when it comes to understanding councils' relative service cost and quality, and strategic asset management and financial planning practices and outcomes. In part this is because of the inevitable diversity in service offerings across 29 councils. However, better, more consistent data that allows for 'apples and apples' comparisons between councils' service performance is clearly needed, and this is why it is a significant focus of the Board's non-structural specific reform recommendations.

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<sup>6</sup> Local Government Board 2023. *The Future of Local Government Review Community Catchment Information Packs* (Central and Midlands, Cradle Coast, Eastern Shore, North-East, South-East, Southern Shore, Tamar Valley, Western, Western Shore). Department of Premier and Cabinet.

**Second, communities need to better understand the inherent compromises, risks, and potential lost opportunities of ‘doing nothing’.**

Currently there is lack of a clear sense of imminent ‘crisis’ or major failure in the current system, notwithstanding widely acknowledged long-run sustainability challenges for many councils. For many in the community, the status quo appears to be a safe short-term option. We do not think this is the case. While most councils are financially sustainable in the short-term, many acknowledge they will have to increase rates significantly and are concerned about their ability to meet their statutory obligations and provide the services their communities need and expect in the future.

If we put off reform, we miss the chance to act strategically and pro-actively to improve the sector’s overall long-run sustainability and capability to deliver high quality services. It becomes more likely councils and communities will face acute sustainability problems and will need to respond in a reactive way.

Again, the type of improved transparency around council financial and service performance we are recommending will help.

The needs and circumstances of individual councils and communities vary significantly across the State – particularly when it comes to urban and rural councils - and the reform discussion can easily become one of ‘winners and losers’ from any change process, rather than focusing on how we can redesign the system to improve services and outcomes for the greatest number of Tasmanians.

**Third, communities need good and trusted information about what change looks like, how they stand to benefit, and what it is likely to cost.**

There are, of course, a range of legitimate concerns councils and their communities have when it comes to wholesale structural change to the local government sector. We understand smaller, rural communities in particular place significant value on community voice, services and jobs, and fear losing these things. Our recent focus group research<sup>7</sup> backed up what we heard from councils and communities via our broad-ranging engagement processes: there is in-principle support for structural reform but there are concerns that amalgamations will result in centralisation of jobs, services, and influence into more urban areas. While the Board acknowledges such concerns, they are not insurmountable and can be alleviated as part of the design process of new councils. This means communities need reliable, detailed information on any structural reform proposals, including how they impact local voice, services, and representation.

There are also a range of equity concerns in relation to transition, for example that one community will take on debt and liabilities from another, and that their rates will increase. The latter concern is particularly pressing for many given current cost of living pressures. That is why reform – even where it is pursued on a voluntary basis – must be coupled with a properly resourced transition plan to smooth impacts for individual ratepayers in a transparent and equitable way.

It is for the above reasons that the sector cannot be expected to ‘reform itself’ without appropriate support and explicit policy direction and leadership from the Tasmanian Government.

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<sup>7</sup> Institute for Regional Futures 2023. Local Government Reform Focus Groups. Research Report. University of Newcastle.



## Targeting effective reform - core community outcomes

Having clearly identified the challenges and opportunities across the sector, reform of the Tasmanian local government sector needs to be targeted at supporting and delivering FIVE core community outcomes. These outcomes reflect what we heard local communities need and value most from local government.

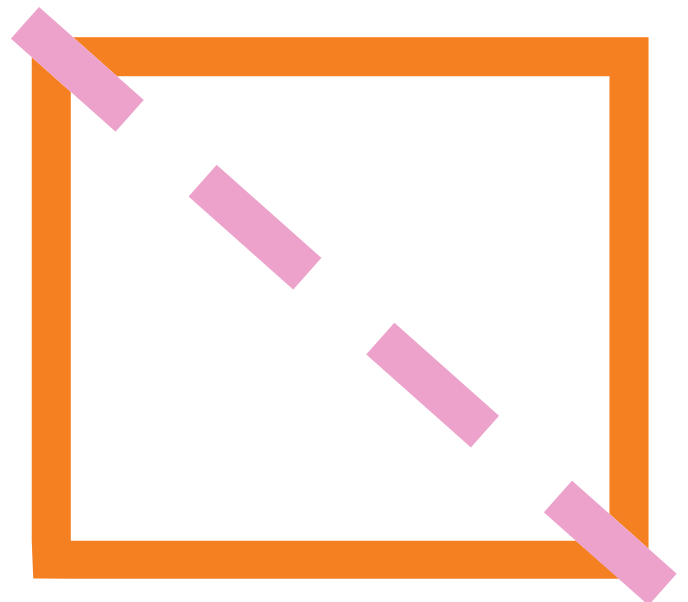
These outcomes should be the primary focus for the Tasmanian Government and councils as they look to address the challenges and constraints we have identified through the Review and build the future capability and capacity they will need to meet the future needs of communities.

### Core community outcomes

1. Support healthy and sustainable local communities: by being clear on the role of councils and elected representatives, and ensuring they have the resources and support they need to deliver that role.
2. Deliver better local services: by helping councils build the systems they need to deliver better government services in their communities, including through partnerships with other tiers of government.
3. Build and maintain future-ready community assets: by setting clearer standards for the way councils manage assets and holding them account to deliver to those standards.
4. Ensure local government represents you and your community: by requiring councils to listen to the whole community when setting priorities and be more open and accountable for the decisions they make.
5. Enhance local job opportunities in councils: by developing a local government workforce strategy that provides training and jobs to local people.

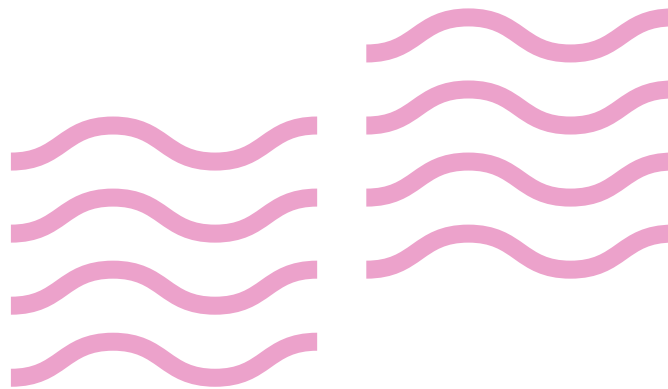
Structural reform must serve as the fundamental platform for building a robust sector that is equipped to support contemporary Tasmanian communities for the next 30 years and beyond. In parallel, specific targeted changes aimed at improving local representation, governance, transparency, performance management, and funding will be crucial to maximising the quality and value of services delivered by councils to their communities.

In the next chapters, we map out a proposed reform agenda for the future of local government in Tasmania.





### **3. Recommendations: Structural Reform and Mandated Shared Capability**



## Key Takeaways

- > Tasmania's council boundaries should be redrawn to create a new system of larger and more capable councils that better reflect, represent, and serve contemporary Tasmanian communities.
- > Our alternative future structural design for local government in Tasmania is made up of **15 local government areas**.
- > The proposed boundaries represent our best assessment of an appropriate future design for the sector. Further work would be needed to refine and finalise new council boundaries.
- > A new Local Government Board should coordinate voluntary amalgamation proposals. The Board would assess viability and prepare formal proposals for councils, the community and Government to consider.
- > Councils, State agencies, and community leaders should form a Community Working Group (CWG) to develop packages of Tasmanian Government-funded supporting initiatives that maximise the on the ground community benefits of amalgamation proposals.
- > Communities would need to vote in support of any reform proposals – including supporting initiatives and funding – before they went ahead.
- > Where communities pro-actively move for and then vote in support of an elector poll proposing an amalgamation, the Minister should ask the Local Government Board to develop a formal amalgamation proposal for the community to consider.
- > There should be more structured and widespread use of shared services and capability between councils, starting with key technical professions where capability gaps are being felt the most.
- > The sector itself should be given a chance to design these arrangements, but once settled they should be able to be mandated by the Tasmanian Government. Mandating is necessary to ensure service sharing arrangements are stable and enduring.

## A new council structure for Tasmania

A combination of larger, more capable councils and some (targeted) mandated service sharing is the only pathway that achieves required scale, while still having councils which are local and responsive enough to cater to the unique and diverse needs of their communities.

In this section we present our vision for a future structure for Tasmania's councils, and then describe a pathway to achieving it over time.

### Consultation on Community Catchment scenarios

In May 2023 the Board released a set of nine Community Catchment Information Packs containing 29 separate council scenarios. These were intended to promote a community discussion about how the current council boundaries could be reshaped to better reflect the demographic, economic, and environmental realities of Tasmania in the 21st Century.

There were some valuable conversations with councils and communities in response to the scenarios. Many communities and some councils supported consolidation of their councils, accepting that there were benefits in creating larger, more capable councils better able to meet their future needs.

The Board conducted boundary scenario surveys across all catchments, receiving 1,611 responses<sup>8</sup>. Across all surveys, the only catchment with a dominant prevailing community sentiment for the 'status quo' was the Central and Midlands. The Board observed that several councils in this Catchment campaigned for their communities to complete surveys supporting the status quo.

The majority of Tasmanians (57%) support reducing the number of councils<sup>9</sup>. Support for council consolidation is higher in urban fringe (65%) and city (62%) councils than in rural, remote, and regional councils (55%). This attitude is reflected not just in communities, but amongst council staff and elected representatives. Our boundary scenario surveys found that it was more likely that urban councillors and

staff preferred a scenario to establish a new amalgamated council, while rural and remote councillors and staff preferred the status quo. However, the Community Sentiment Survey showed that, even though they were in the minority, those councillors and community members who opposed changes to council boundaries held this view with significantly greater conviction than those who held views in support of structural reform. This was especially the case in regional areas where loss of representation, local identity, and tailored service delivery were key concerns. These concerns also featured prominently in the public submissions the Board received during the Stage 3 consultation, although more of those written submissions supported council consolidation (48%) than opposed it (42%).

Current cost of living pressures had a strong influence on prevailing attitudes toward council reforms. The impact on rates and charges was the most voiced concern in the community sentiment focus groups. Notably, some participants were prepared to tolerate a lower standard of council service provided that their rates remained unaffected.

While this consultation was underway, the Government announced it would not change council boundaries unless those changes were supported by local communities. Given this changed context, it now seems likely that this Review will result in a small number of council mergers in the short-term. More substantial structural reform is only likely to occur over a much longer period than the Board had envisaged.

8 Local Government Board 2023. Future of Local Government Review. Community Catchment Information Packs Survey Report. (FoLGR-Information-Pack-survey-report.pdf (futurelocal.tas.gov.au)).

9 Institute for Regional Futures 2023. The Future of Local Government Review. Community Sentiment Summary Report. University of Newcastle.



The Board has developed an alternative future structural design for local government in Tasmania based on research, analysis, and engagement. This new design comprises 15 local government areas and is shown in Figure 5. A brief rationale for each new council area is provided in Table 5 and **more detailed profiles of each area are presented in Appendix 1.**

The proposed boundaries represent our best assessment of an appropriate future design for the sector based on the information available during the period of the Review. The Board acknowledges (and has always acknowledged) that further detailed assessment of these boundaries, and the issues raised in the detailed profiles, should be undertaken when considering consolidation proposals.

Had mandated boundary changes remained a 'live' option for implementing structural reforms, it is likely the Board would have recommended a series of community-focused processes to better define and finalise new council boundaries and supporting arrangements for all 15 areas. Our suggested approach to refining and finalising boundaries and council structures in a voluntary amalgamation context is described later in this chapter.

The boundaries were developed by applying the two main elements of the 'community-centred consolidation' approach we described in the Stage 2 Interim Report:

- Foundations for structural reform (see Table 3): a core set of policy prescriptions about how to consolidate councils into larger, more capable entities; and
- Criteria for community-centred consolidation proposals (see Table 4) – primary criteria that help to understand the place and community of interest to be served by a council, and secondary criteria that focus on the features and capabilities a future council would need to be able to deliver services to that community.

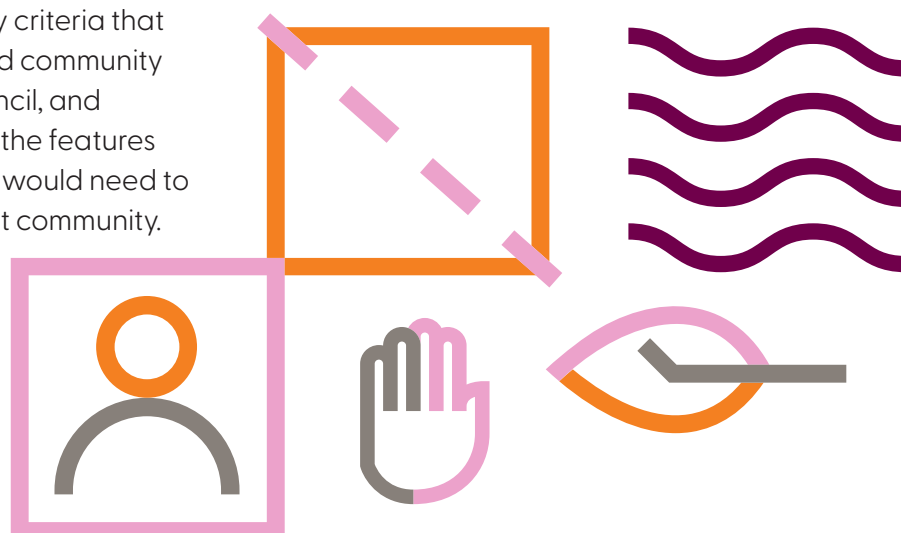




Table 3: Foundations for structural reform

|                         |   |
|-------------------------|---|
| <p><b>Community</b></p> | <ul style="list-style-type: none"> <li>Local government areas work best when they are inclusive with strong social connections, and a shared sense of place.</li> <li>Strong community alignment makes local voice, representation, and advocacy more effective and powerful. It also supports the efficient and equitable collection of revenue to fund consistent service types, with fewer cross-subsidies.</li> </ul>   |
| <p><b>Capacity</b></p>  | <ul style="list-style-type: none"> <li>The capacity of councils to deliver a broader range of more sophisticated services increases with urbanisation, the organisational scale of the council, and the capacity of its residents to pay. These factors will typically determine the cost of homogenous services and the extent to which councils can invest in a wider range of community amenities and services (that is, going beyond roads, waste, and community infrastructure/facilities).</li> <li>Differences in service levels between urban and rural councils are an inherent feature of our system of local government and will remain so. These differences are not in themselves undesirable or inefficient, but they should be made transparent.</li> <li>It is critical that small, regional, and other communities with many people experiencing disadvantage can and do receive an adequate and consistent agreed minimum service standard, including around infrastructure. It is more equitable and transparent to do this via deliberate and direct subsidisation (through the grants and transfers system) rather than establishing council boundaries that are intended to create internal cross-subsidisation.</li> </ul> |
| <p><b>Strategic</b></p> | <ul style="list-style-type: none"> <li>Our future administrative boundaries should support broader state-wide policy imperatives, including deliberate and efficient management of population growth/decline and settlement patterns, land use planning, and future regional land use strategies.</li> <li>Subject to preserving and supporting communities of interest, council boundaries should maximise the self-sufficiency of councils, limiting the need for subsidisation by other spheres of government.</li> <li>Future administrative boundaries can and should align with existing service demands and growth expectations of places and need not necessarily correspond to existing council areas.</li> </ul>  |
| <p><b>Workforce</b></p> | <ul style="list-style-type: none"> <li>High-functioning rural local governments can and do operate successfully with regional or dispersed workforces and workforce hubs.</li> <li>Appropriately dispersed regional workforces support an equitable level of localised service delivery, responsiveness, and community wellbeing.</li> <li>The size and distribution of the operational workforce are determined principally by the quantity, quality, and distribution of infrastructure assets, and not the location or scale of the administrative centre.</li> <li>Irrespective of any structural change, as local government services become increasingly complex and professionalised, future workforces should continue to leverage technologies and new work practices to ensure access to scarce professional and technical workers and the services they provide to regional communities.</li> </ul>  |

Table 4: Community-centred consolidation – Criteria to assess proposals

| Primary criteria                   |   |
|------------------------------------|---|
| <b>Place and representation</b>    | <ul style="list-style-type: none"> <li>• Sense of place and alignment with local communities of interest</li> <li>• Established administrative, commercial and service hub/s</li> <li>• Defined natural/geographical region</li> <li>• Community support for consolidation proposal</li> </ul>  |
| <b>Future needs and priorities</b> | <ul style="list-style-type: none"> <li>• Demographic trends</li> <li>• Future service, infrastructure and land management needs</li> <li>• Emerging industries and ability to facilitate regional development</li> <li>• Strategic and regional planning</li> <li>• Capacity for whole-of-jurisdiction representation and engagement</li> </ul> |
| Secondary criteria                 |   |
| <b>Financial sustainability</b>    | <ul style="list-style-type: none"> <li>• Sustainability/diversity of revenue base</li> <li>• Operating result/position balance</li> <li>• Net financial liabilities</li> <li>• Working capital</li> <li>• Asset replacement/ renewal</li> </ul>   |
| <b>Operational capability</b>      | <ul style="list-style-type: none"> <li>• Service provision capacity</li> <li>• Quality and compatibility of administrative systems and infrastructure</li> </ul>  |

Twelve of the proposed 15 councils would be new entities with changed boundaries. Three councils would remain ‘as is’:

- Both King Island and Flinders Council would remain unchanged. Their isolation as Bass Strait islands, and the unique role they play as governments for those islands, means that consolidating them with any other council is not in the best interests of those communities.
- Clarence City Council is currently one of the largest councils in Tasmania and is considered to already represent a discrete community of interest on the eastern shore of the Derwent River. The Board does not believe there would be benefit in amalgamating it with neighbouring councils to create an even larger entity at this time. However, an ongoing strategic partnership with other councils in Greater Hobart will be essential for managing the growth of the region.

All but four of the 15 councils would have populations above 10,000 (using 2021 ABS figures)<sup>10</sup>, which the Board believes gives them sufficient scale to be viable, i.e., with a large enough rate base to be financially self-sustaining, and able to meet the administrative and regulatory requirements that all councils face. In saying this, such councils would benefit from participating in shared service arrangements.

The Board has adopted this threshold after examining the impact of scale on the efficiency and effectiveness of council operations. In its Stage 2 Interim Report, the Board identified concerning capability gaps that were manifesting in sub-standard delivery of important regulatory functions such as building and plumbing inspections and environmental health, and highly uneven asset management practices, particularly in smaller, rural councils. Not only are these smaller councils failing to meet required standards (despite their best efforts), but their per capita operating costs are also significantly higher.

Over the past 10 years, councils with populations under 10,000 have been charging rates that are 34 per cent higher per household than larger councils, and their expenditure has been 61 per cent higher per resident<sup>11</sup>. Overall, this presents a picture of smaller councils being more likely to face regulatory and sustainability challenges than larger councils.

This threshold of 10,000 is a ‘rule of thumb’ rather than a prescription, as there are examples of councils on both sides of the threshold that are exceptions. Nevertheless, the Board does consider it a useful guide for designing future council structures.

The councils in this future structure with populations materially below the 10,000 threshold are:

- Flinders
- King Island
- East Coast
- Western

The Board was unable to link these councils to other neighbouring councils that had a common community of interest to meet the threshold, because of the remoteness and isolation of these regions. These councils are likely to need substantial ongoing support from other spheres of government, particularly through the Australian Government Financial Assistance Grant program and regional partnerships. This is not to suggest that other councils should not receive regular external funding through such programs; it is simply that these four councils would be most likely to depend on substantial and ongoing external support in the long term.

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<sup>10</sup> ABS 2023. National, state and territory population. (<https://www.abs.gov.au/statistics/people/population/national-state-and-territory-population/latest-release#data-downloads-data-cubes/>)

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<sup>11</sup> Tasmania Local Government Consolidated Data Collection (CDC). Data Repository for 2000 to 2015, Data Repository for 2015 to 2022. (<https://listdata.thelist.tas.gov.au/opendata/>)

Figure 5: (a) Future structural design for local government showing existing LGA boundaries and 'grey areas' (dotted lines); and (b) 2021 population estimates for the new structure.

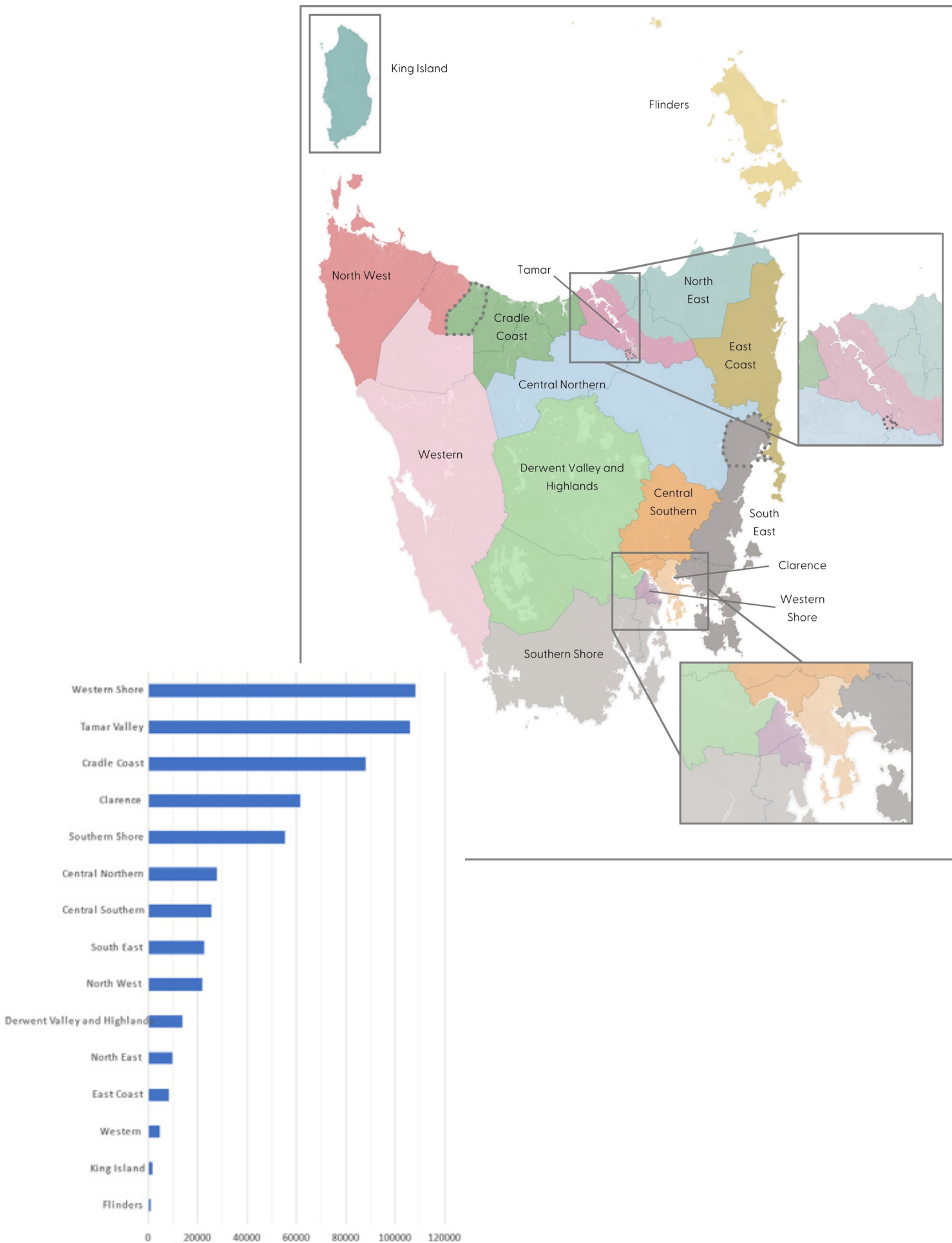


Table 5: Brief rationale for each new council in the future structural design for local government (see Appendix 1 for details).

| Proposed Council    | Boundaries  | Brief Rationale  |
|---------------------|---|--|
| <b>Western</b>      | West Coast Local Government Area (LGA) extending north to incorporate Waratah and Savage River.   | <ul style="list-style-type: none"> <li>• Common industries of mining, energy, and tourism.</li> <li>• Shared challenges of a declining population, a growing drive-in/drive-out workforce, inadequate housing stock, and the service challenges associated with remoteness.</li> </ul>   |
| <b>North-West</b>   | Circular Head LGA and Waratah-Wynyard LGA, minus Waratah and Savage River.  | <ul style="list-style-type: none"> <li>• Dominated by agriculture and service towns of Smithton and Wynyard.</li> <li>• The two major towns provide a rate base to support services to the rural hinterland.</li> </ul>  |
| <b>King Island</b>  | King Island LGA (no change).  | <ul style="list-style-type: none"> <li>• Remote island community.</li> <li>• Service links to the Cradle Coast.</li> </ul>   |
| <b>Cradle Coast</b> | Burnie, Central Coast, Devonport Kentish, and Latrobe LGAs.   | <ul style="list-style-type: none"> <li>• Coastal and hinterland community with high internal commuting and service centre connections.</li> <li>• Common demographic patterns, industry profile, and service needs across the entire region.</li> </ul>  |
| <b>Tamar Valley</b> | West Tamar LGA, George Town LGA minus rural areas to the east, Launceston LGA minus rural areas to the north-east, but including Prospect and Blackstone Heights from Meander Valley LGA. | <ul style="list-style-type: none"> <li>• Urban areas focussed on Launceston and the Tamar Valley with strong commuting and service links.</li> <li>• Includes the Launceston suburbs of Prospect Vale and Blackstone Heights which currently fall within Meander/Northern Midlands.</li> <li>• Rural areas to the east are allocated to Greater Dorset due to common agricultural industry focus, except for Blessington which has limited connection to the north.</li> </ul> |
| <b>North-East</b>   | Dorset LGA plus rural areas to the west from George Town LGA and to the south-west from Launceston LGA.   | <ul style="list-style-type: none"> <li>• Common agricultural industry and tourism focus.</li> <li>• Communities that look to Launceston for major services but are otherwise self-contained.</li> </ul>  |
| <b>Flinders</b>     | Flinders LGA (no change).   | <ul style="list-style-type: none"> <li>• Remote island community.</li> <li>• Service links to Launceston and Bridport.</li> </ul>  |



| Proposed Council                    | Boundaries   | Brief Rationale  |
|-------------------------------------|--|--|
| <b>Central Northern</b>             | Meander Valley and Northern Midlands LGAs, minus Prospect and Blackstone Heights.        | <ul style="list-style-type: none"> <li>• Service towns surrounded by agricultural land.</li> <li>• Common demography and service needs.</li> <li>• Prospect and Blackstone Heights become part of Tamar Valley.</li> <li>• Launceston commuter suburbs of Longford and the Launceston Airport commercial district remain with this council for financial viability.</li> </ul>                       |
| <b>East Coast</b>                   | Break O'Day LGA plus Bicheno, Freycinet and Coles Bay.                                   | <ul style="list-style-type: none"> <li>• Coastal community focussed on tourism, agriculture, and lifestyles.</li> <li>• Common demographic patterns and service needs.</li> <li>• Some challenges from remoteness from major service centres.</li> </ul>   |
| <b>South-East</b>                   | Sorell LGA, Tasman LGA, Glamorgan Spring Bay LGA minus Bicheno, Freycinet and Coles Bay. | <ul style="list-style-type: none"> <li>• Growing urban area of Sorell and the smaller rural, tourism and coastal lifestyle settlements to the east that it services.</li> <li>• Urban Sorell provides the rate base to support the broader region.</li> <li>• Swansea and Dolphin Sands is presented as a 'grey area' on the map, subject to further community consultation and analysis.</li> </ul> |
| <b>Central Southern</b>             | Brighton and Southern Midlands LGAs.   | <ul style="list-style-type: none"> <li>• Large and small regional centres in a rural environment with commuting links to Brighton and Hobart.</li> </ul>   |
| <b>Derwent Valley and Highlands</b> | Derwent Valley and Central Highlands LGAs.   | <ul style="list-style-type: none"> <li>• Remote and dispersed rural communities supported by New Norfolk as a regional service hub.</li> <li>• Some challenges due to remoteness from major service centres.</li> </ul>  |
| <b>Clarence</b>                     | Clarence LGA (no change).  | <ul style="list-style-type: none"> <li>• Community with a mix of commuter employment to Hobart and employment within the LGA.</li> <li>• Currently sustainable and large scale.</li> </ul>   |
| <b>Western Shore</b>                | Glenorchy and Hobart LGAs plus Tarooma part of Kingborough LGA.                          | <ul style="list-style-type: none"> <li>• Continuous urban population area with commercial and industrial districts in a discrete geographic area.</li> <li>• Strong employment and commuting connections between all areas.</li> <li>• Supports more effective strategic planning for Hobart's western shore.</li> </ul>   |
| <b>Southern Shore</b>               | Huon Valley LGA and Kingborough LGA minus Tarooma.                                       | <ul style="list-style-type: none"> <li>• Urban centre of Kingston servicing smaller towns and rural areas.</li> <li>• Strong commuting connections with Hobart in the north.</li> </ul>  |

Two of the proposed new councils – North East and Derwent Valley and Highlands – are within the population range of 10,000 to 20,000. The long-term financial sustainability of both councils bears careful examination should their establishment be considered. Particular attention should be paid to the potential rate base of these regions and the likelihood they would at least partly depend on external funding in the longer term. This may be warranted given the low density of settlement and the significant infrastructure in these regions.

The Board believe the Tasmanian Government and councils should consider the proposed 15-council design for local government in Tasmania when formulating, assessing, and implementing voluntary amalgamation proposals.

The Board's proposed structure includes three 'grey areas'. These are places where the Board has expressed only a weak preference for allocating them to a particular future council. Any future investigation of merging them into a larger council should consider the implications of allocating them instead to the neighbouring council. These 'grey areas' are:

- Current Burnie City Council: This has been allocated to the proposed new Cradle Coast Council because of the strong internal living and working patterns across the whole region. An alternative view is that Burnie belongs with the council to the west because it is an important service centre for residents of the current Waratah-Wynyard and Circular Head LGAs.
- Prospect Vale and Blackstone Heights: These localities are currently in Meander Valley LGA and have been allocated to the proposed new Tamar Valley Council. This has been done because they are part of the continuous urban area of Launceston. An alternative view is that these localities belong with the new Central Northern Council to minimise disruption to these communities, and to maintain the rate base for that new council.

- Swansea and Dolphin Sands: Both Glamorgan Spring Bay Council and Break O'Day Council have acknowledged there should be further analysis and consultation on where the boundary between a new East Coast and South East Council should fall. They acknowledge it could be anywhere in the vicinity of Swansea or Bicheno.

During Stage 3, the Board considered several other novel governance structures which it has determined did not have sufficient merit to proceed with:

- An Unincorporated Area administered by the Tasmanian Government, rather than local government, was considered for the Tasmanian Wilderness World Heritage Area and surrounding natural areas. As councils have very few operational responsibilities and costs in this area, this model (and work required to implement it) was not seen to have any practical advantages.
- A Tasmanian Government appointed Island Commissioner focussed on delivering state-funded services was considered as a complement to local councils on Flinders and King Islands. This is not being advanced as it does not have strong community or council support, and because other reforms, such as mandatory service sharing, are better suited to supporting the island councils.
- A separate governance board funded by a tourist levy was suggested by Kingborough Council for Bruny Island as part of its submission to the Board. The Board was not clear what additional benefits would flow from this new structure, and there was only partial community support for this model. The Board accepts there may be merit in a levy on tourists arriving on Bruny Island notwithstanding governance remaining unchanged and encourages the responsible council and the Tasmanian Government to explore this further in consultation with the community and tourism industry.

## Voluntary structural reform

Given the Government's decision not to proceed with any forced council boundary changes, the Board is putting forward a process for supported voluntary reform which we think has the best chance of delivering real, positive, and enduring benefits within these constraints. This approach has five elements:

1. a phased voluntary amalgamation process, starting with councils who have expressed interest in reform;
2. establishment of a new Local Government Board to coordinate each voluntary amalgamation proposal, to assess its viability, and to prepare a formal proposal for councils, the community, and the Tasmanian Government to consider;
3. establishment of Community Working Group (CWG) of councils, State agencies and community leaders –one for each area subject to potential amalgamation – to identify Tasmanian Government-funded initiatives that could improve community outcomes;
4. a community vote on the integrated package of regional reforms prepared by the Local Government Board and CWG which, if successful, would be implemented by the Tasmanian Government; and
5. a mechanism to allow communities themselves to trigger a formal amalgamation proposal.

## Phased voluntary amalgamation

During the Board's consultation, five groups of councils indicated their immediate interest in exploring the potential benefits of amalgamation:

- West Coast, Waratah-Wynyard and Circular Head Councils have expressed an interest in a two-council model: a Western council that extends the current West Coast council to include Savage River and Waratah, and a single council incorporating the remainder of the Waratah-Wynyard and Circular Head LGAs;
- Kentish and Latrobe Councils have expressed interest in formalising their current administrative union into a complete merger of the two councils;

- Break O'Day, Glamorgan Spring Bay and Sorell Councils expressed interest in exploring a two-council model with a boundary in the vicinity of Coles Bay;
- City of Hobart and Glenorchy City Councils expressed interest in exploring the benefits of council consolidation in relation to their existing council areas and the Taroona part of Kingborough Council (noting that Kingborough Council would also need to be engaged in this discussion); and
- Kingborough and Huon Valley Councils separately identified boundary changes they see as advantageous and have had initial conversations about those changes. Huon Valley Council has indicated a level of interest in potential regional consolidation, and indicated at public hearings it may be interested in continuing that conversation.

The Board is recommending that these five groups be the first councils to work with a new Local Government Board to explore the potential benefits of amalgamation. If these amalgamations were to go ahead, the Board believes they would represent considerable progress towards the desirable future structure outlined in the previous section, with one exception.

As Kentish and Latrobe Councils are already operating under a merged administration, the Board recognises that the formal amalgamation they are considering is likely to yield a smaller, yet still important additional benefit. While not discouraging this step forward, the Board believes that in the long-term, more substantial benefit could arise if the future Cradle Coast structure were adopted. We encourage councils and communities to consider further moves in this direction, both in greater service sharing and further amalgamations over time.

**Recommendation 4:** Formal council amalgamation proposals should be developed for the following:

- West Coast, Waratah-Wynyard and Circular Head Councils (into two councils).
  - Kentish and Latrobe Councils.
  - Break O’Day, Glamorgan-Spring Bay and Sorell Councils (into two councils).
  - City of Hobart and Glenorchy City Councils.
  - Kingborough and Huon Valley Councils.
- The Board acknowledges council interest in and discussions on boundary changes are less advanced in respect of City of Hobart and Glenorchy, and Kingborough and Huon Valley councils, but nonetheless believes that these councils have expressed clear interest in further exploring opportunities. The Board believes there is substantial merit in ensuring that those councils (and their communities) are afforded the opportunity to genuinely explore structural consolidation proposals in greater detail.

Later phases could focus on areas where there appears to be strong community support for amalgamation and some level of council support, where it is clear councils are not meeting their core service delivery obligations or are showing signs of financial difficulty. It may be useful to begin these investigations early with feasibility studies in areas with some interest and high potential.

Acknowledging the Government’s position on structural reform, areas with little council or community support for structural reform should be given the lowest priority for immediate reform. It is possible, however, that community interest in reform will change over time as the benefits of structural reform in other areas becomes more widely known, or a council’s performance is falling well below its peers.

One area the Board has recognised with potential for a second phase of voluntary amalgamation is the Tamar Valley. There are strong connections between communities around the Tamar estuary and with the urban centre of Launceston. There are also strong connections between councils through shared service arrangements that could form the basis of arrangements for a new council.

While there is some council and community interest in exploring amalgamation (particularly from Launceston City Council), some councils have shown they are relatively resistant to change. Before embarking on a voluntary amalgamation process, it would be prudent to understand what outcomes each of the participating councils would be seeking, and whether these are likely to be possible from an incentivised voluntary reform process. A feasibility study may help to document any council and community concerns and help to plan a practical approach to voluntary amalgamation.

#### **New Local Government Board to prepare formal amalgamation proposals**

The Community Sentiment Survey found that many community members who support boundary adjustments ‘in principle’ want more information about the benefits of amalgamation and the specifics of the transition arrangements including:

- precise information about potential or proposed boundaries;
- analysis and evidence of efficiencies and cost savings from sharing resources;
- assurances that local voice and representation will be maintained;
- implications for staff and service provision, including assurances that current services will not be compromised, and infrastructure will be maintained;
- assurances that rates will not rise or, if they will, the reasons as to why;
- solutions to issues such as how differing levels of debt and cash reserves will be managed if they merge with a solvent council; and
- assurances that more populated areas will not be prioritised at the expense of less populated areas.



There were common responses from councils during our Stage 3 consultation on community catchments, with a number stating that the Board's scenarios did not provide sufficient detail on the benefits of a new council structure and how the transition would be managed.

The Board has always been clear that further detailed analysis is necessary to proceed with reform and foreshadowed in its Stage 2 Interim Report that after providing its final recommendations to the Minister for Local Government there would need to be a technical analysis to inform the detailed design of any boundary changes.

The Board recommends this detailed technical analysis be undertaken by a new Local Government Board, established with the necessary expertise in areas such as council administration and operations, workforce development, and organisational change management. A formal Board structure is necessary because it is an effective mechanism under the *Local Government Act 1993* to allow for changes to council boundaries and re-allocating the staff and finances of existing councils.

A single Board would be established to oversee the development of all council amalgamation proposals. The Local Government Board has broad powers to delegate functions where necessary and to engage other technical experts, stakeholders, and professionals. The new Board's detailed technical analysis should cover the full range of issues involved in establishing and operating a new council, including:

- The precise location of the new council's boundaries (and key administrative centres etc);
- The costs and benefits of changing to the new council structure;
- The implications for the services the council provides the community, including the locations where those services will be delivered;
- The implications for staff;
- The implications for rates;
- The management of current council debts and other liabilities, and cash reserves;

- How elected representation for the new council should be structured;
- How the new council would be expected to engage with its community;
- Any measures necessary to ensure that the more populated areas will not be prioritised at the expense of less populated areas;
- How the transition to the new council structure would be managed, including any temporary arrangements to be put in place to ease the transition; and
- When elections should be held for the new council.

**Recommendation 5:** A new Local Government Board should be established to undertake detailed assessment of formal council amalgamation proposals and make recommendations to the Tasmanian Government on specific new council structures.

### **Community Working Group to identify initiatives to improve community outcomes**

In addition to further technical analysis of council structures and operations, the Board recommends a detailed analysis of the contribution the Tasmanian Government should make to support the transition to a larger council to ensure it delivers improved services to the community.

The Board recommends a Community Working Group (CWG) of councils, state agencies and community leaders be established in each area where Phase 1 amalgamation proposals are being prepared. The CWG would identify opportunities to improve community outcomes that might be maximised under a newer larger council, guided by the reform principles of maintaining local jobs, local access to services, and local voice. These opportunities could include, for example:

- aligning current Tasmanian and Australian Government investment programs with opportunities arising from a larger consolidated council structure;

- reskilling programs for displaced or unemployed workers;
- traineeships and sponsorships for young people or local people to join council workforces;
- funding to consult and scope local models to ensure Aboriginal Tasmanians are included in roles, sharing of specialised knowledge and/or engagement;
- increased support from state regulatory agencies; and
- improvements to front-desk community facing services via a level of integration with Service Tasmania.

The CWG would identify these opportunities through extensive community consultation and engagement. In addition to identifying new funding needs for the region, the CWG may also identify opportunities to adjust funding sources so the new council can operate on a more sustainable footing. These could include, for example:

- Tasmanian Government taking responsibility for council-run services that would typically be Tasmanian Government responsibilities (e.g., medical services); and
- Establishing pilot programs where appropriate for complex statewide initiatives that may be best aligned with structural reform (e.g., Homes Tasmania development strategies).

The CWG concept should be flexible to local circumstances and look to build on and leverage existing activity in areas where amalgamations are being considered. For example, the Premier's program of Strategic Regional Partnerships is designed to expand and improve collaboration between local government and the Tasmanian Government. The Partnerships have been described as finding practical solutions that address regional needs and growth and bring together key decision makers from all levels of government, business, community, and industry in the region. Partnerships have been announced for the West Coast and the East Coast, and these may provide a suitable existing mechanism for developing proposals to support councils and communities in those areas undertake a voluntary amalgamation.

The package of measures would be costed and prioritised by the CWG. At the conclusion of this consultation and design phase, the package would be presented to the Tasmanian Government along with the recommendations of the new Board. The Tasmanian Government could then identify a package of targeted support it would be willing to commit if the council boundary reform went ahead.

The new Board's detailed recommendations on boundary changes and new council structures would be combined with the funded package of regional opportunities to form an integrated package of regional reforms.

One lesson we have learnt from council amalgamations in other States is that a focus on old council structures can hamper the development of a healthy culture and identity in a new council. Council staff and residents may continue to identify with their old council, even though it no longer exists. The Board has been impressed by the way Brand Tasmania has worked with communities to develop regional brands that reflect that community's unique identity. Brand Tasmania could play a helpful role in the formation of a new community-oriented council by engaging with council staff and community members to choose a name and brand identity for the new council. This new identity could be included in the integrated package of regional reforms developed by the CWG.

**Recommendation 6:** A Community Working Group (CWG) should be established in each area where formal amalgamation proposals are being prepared. The CWG would identify specific opportunities the Tasmanian Government could support to improve community outcomes.

## Community vote on integrated package of regional reforms

Consistent with the Tasmanian Government's policy position that proposed amalgamations should only proceed with community support, the Board recommends that the integrated package for regional reform should be presented to the community for a vote.

The package would provide the community with a comprehensive picture of the costs, benefits, and other implications of structural reform in the region. A public communication program should precede any vote so the community is aware of the change proposed and can consider how it might impact them.

This poll would be run in all the areas affected by the reform proposal. If the vote were successfully carried, the Tasmanian Government would then implement the Board's structural reform recommendations to establish the new council and would begin implementing the funded supporting initiatives.

**Recommendation 7:** In those areas where amalgamation proposals are being developed, a community vote should be held before any reform proceeds to consider an integrated package of reform that involves both a formal council amalgamation proposal and a funded package of opportunities to improve community outcomes.

## Community trigger for formal amalgamation proposal

During the Review, the Board has become aware that, in some cases, the community can be more supportive of structural reform of councils than the elected members and senior council staff. The Board believes it is important that communities can trigger the development of a formal amalgamation proposal for their councils, regardless of whether their councils support it.

The *Local Government Act 1993* allows electors in a municipal area to lodge a petition requiring a council to hold a public meeting on a particular subject. Within 30 days of that public meeting, a second petition can call for an elector poll on the same subject, which the council must undertake. Currently the petition must be signed by the lesser of either 5 per cent or 1,000 electors.

The Board considers this an appropriate mechanism to allow the community to trigger the development of a formal amalgamation proposal. While the result of an elector poll is not binding on a council, a successful poll requesting a council to consider amalgamation could signal to the Minister the matter should be referred to the Local Government Board to develop a formal amalgamation proposal. This would then follow the voluntary amalgamation and community vote process outlined above. The formal support of the councils for the amalgamation proposal would not be necessary.

**Recommendation 8:** If a successful community-initiated elector poll requests councils to consider amalgamation, the Minister for Local Government should request the Local Government Board to develop a formal amalgamation proposal and put it to a community vote.

## The pathway to mandated shared services

### What we have learnt about shared services

Many Tasmanian councils have promoted service sharing as an alternative to council amalgamations. The Board has examined the spectrum of shared service models operating in Tasmania and other jurisdictions, ranging from informal agreements that meet specific local needs through to more formal arrangements, such as jointly owned service delivery entities (e.g., Dulverton Waste Management) and fully integrated council models (e.g., Kentish and Latrobe councils).

Not all council services are suitable for shared arrangements, but for some, sharing has the potential to achieve economies of scale and efficiencies in delivery. This is particularly the case for services delivered in a uniform way (e.g., paying rates), that are capital-intensive (e.g., waste management) or that require high levels of technical expertise (e.g., environmental health services).

### **Community support for shared services**

There are relatively high levels of support in the community for councils sharing services. The 2023 Community Sentiment Survey undertaken by the Institute for Regional Futures (at the University of Newcastle) found more than four out of five (82%) people surveyed agreed that local councils in Tasmania should share more services across regions and state-wide, particularly when thinking about the needs of their family and community over the next 20 to 30 years. The main advantages they saw were in sharing and reducing costs, in improving regional unity, more efficient management of resources, and greater consistency of services.

While there have been many attempts by councils to share services, not all have been enduring or successful. The Board heard that the implementation of shared service is more likely to be successful when the following principles are met<sup>12</sup>:

#### **Address an agreed problem**

Identify and agree on the problem to be solved and the desired outcome (e.g., efficiency, effectiveness, expanded service offerings, more sustainable staffing systems, etc). Robust and reliable baseline data are essential to determine the most suitable model of service sharing and evaluate its performance over time.

#### **Engage authentically and try to build consensus**

Arrangements built on trust and mutual goodwill are likely to present a more attractive reform proposition than forced or compulsory ones. While differences of opinion are inevitable, genuine engagement with the sector is more conducive to progress than unilateral or antagonistic approaches. While mandating shared services might be necessary to ensure arrangements are enduring, they should still be designed in collaboration with the sector wherever possible.

#### **Focus on areas of common interest and need**

At least initially, focus on areas where there are common interests and mutual benefits and value from sharing.

#### **Aim to build scale and scope incrementally**

Many shared services arrangements gradually evolve and 'snowball' over time into more comprehensive, enduring partnerships. Supporting evolution towards a more systematic shared services framework not only pays dividends, but also helps to build the compatibility and complementarity that prepare councils for more involved or far-reaching shared services reforms.

#### **Ensure local accountability and responsiveness to local need**

Arrangements in which councils lose too much autonomy or feel disempowered, can threaten local governments' ability to represent local preferences. Agree on longer-term outcome targets and report progress and benefits (or otherwise) over time.

#### **Share risks and rewards**

Arrangements in which one council shoulders more risk than others – or, alternatively, reaps greater rewards – are more likely to end in conflict than ones in which equitable sharing is a guiding and intentional design feature.

#### **Incentivise and support the transition**

Shared service arrangements inevitably involve at least some degree of realignment of council priorities or resources. Sensitive and equitable transition arrangements are vital to ensure that councillors, staff, and communities are kept on side.

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<sup>12</sup> Tasmanian Policy Exchange 2022. Options for sharing services in in Tasmanian Local Government. Prepared for the Future of Local Government Review. University of Tasmania.



## Discuss and agree upon the best governance model

This should be done while noting there will be trade-offs and compromises. Even the most successful shared service arrangements can succumb to self-interest or internal disagreement unless robust, independent governance structures are in place.

Even when these principles are met, however, service sharing is not guaranteed to succeed. Past attempts at service sharing have been foiled by bureaucratic inertia, self-interest, and mutual mistrust. For example, in 2016 and 2017 the Tasmanian Government and councils funded a suite of voluntary amalgamation and shared services studies which demonstrated the potential for substantial financial and strategic benefits to councils and communities. Despite this, there was only limited progress in taking up the opportunities identified.

The Board also heard of many cases where sharing arrangements were fragile and short-lived. In the main, this was because they relied on temporary relationships between key management personnel and were pursued in an opportunistic and ad hoc manner. To be robust, shared service arrangements need strong and transparent governance to which all parties are firmly committed.

Despite the patchy record of shared service arrangements, many smaller or more isolated councils still told us they wanted access to shared services to help them address the challenges they face. For most, this was a preferred pathway to achieving scale.

There were a range of views on whether service sharing arrangements should be mandated. Some councils told us they wanted the freedom to opt in or out of shared service arrangements. However, many councils told us that some mechanism for mandating the arrangement was necessary to provide stability and certainty to all the participants. While the Review has generated a renewed interest and willingness by some councils to engage in voluntary shared services, the Board agrees that a purely voluntary approach would simply repeat past patterns of failure.

## Implementing mandatory shared services

The Board is still of the view that shared services alone cannot solve the scale-related challenges facing the sector, but they will inevitably play an important role, and this will become more critical where we do not achieve significant consolidation of councils.

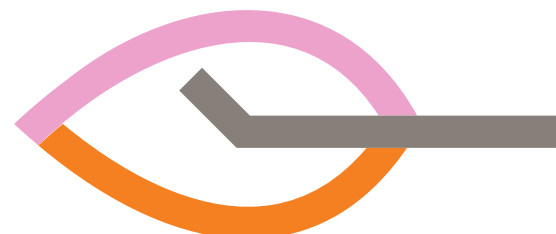
To give service sharing the greatest chance of success, we are recommending an approach that draws on the key lessons of the previous attempts – both successful and unsuccessful.

We recommend a mechanism for mandating service sharing must be established. The new Local Government Act should give the Minister for Local Government the power to require councils to participate identified shared service arrangements. This is the essential reform necessary to give shared service arrangements the durability they need.

The mandating of shared services would only be expected for a narrow range of services or functions. However, this would not preclude further voluntary collaboration and service sharing between councils in other areas of mutual interest or benefit.

We identify several early priorities for mandated shared services later in this chapter. As performance reporting of councils improves, and as conditions change, it is likely that other services that could benefit from being delivered through shared arrangements will be identified.

**Recommendation 9:** The new Local Government Act should provide that the Minister for Local Government can require councils to participate in identified shared service or shared staffing arrangements.



### Why is mandating shared services necessary?

Mandating is necessary to ensure service sharing arrangements are stable and enduring, unlike the opt-in/opt-out experience of the past. We see this approach as not only necessary, but also having benefits for the whole sector, not just the smaller councils that are more likely to be service purchasers than service providers.

Mandatory sector-wide involvement will drive more consistent and higher quality services for all communities. A mandatory approach will also create better career development opportunities for the staff involved, who will be able to gain experience working for multiple councils and on a wider range of projects.

A shared arrangement will ensure that councils are not competing against each other for a limited pool of qualified staff. A whole-of-sector approach to recruiting qualified staff, and giving them opportunities to work in multiple councils, will strengthen the capacity of the sector overall. This is discussed further in Chapter 4 regarding whole of sector workforce development.

This must be an arrangement where the sector works together in a process of mutual support to share the sometimes-limited pool of resources it has available to it.

The mechanism for mandating shared services must give councils the opportunity to design shared service arrangements themselves. Together, the sector should have the discretion to find the appropriate scale solution that meets the needs of all communities and all councils. This could include purchasing services from one or more larger, more capable councils, or working across regions or the State to create regional or state-wide solutions, which may include a specific service/s hub or centralised delivery mechanism.

There is evidence of durable and effective service sharing arrangements having arisen from the sector itself, drawing on its practical knowledge of council operations and its understanding of the community's need for that service. The sector should be given the time, support, and leadership it needs to build consensus on the right model for each service.

To gain that consensus, the model will need to meet the needs of all councils, share the risks and rewards equitably, and be governed in a way that ensures accountability to the community through the participating councils. Councils may benefit from having an independent third party to support them in developing and agreeing on a preferred model.

Early in each service sharing model discussion, it would be important for councils to agree on a common minimum standard of service that meets all relevant requirements. This would form the basis of the agreement but could also allow for higher standards to be achieved by councils where they desired (and were willing to pay any additional cost).

Other potential design elements that the sector should consider when developing service sharing agreements are:

- Performance monitoring and reporting: Regular monitoring and reporting of service performance can help ensure service providers are meeting their obligations. This could include regular reports, as well as independent audits or inspections. Review triggers, including regular periodic progress reviews, would need to be built in.
- Governance structures: Establishing joint governance structures can help give all councils a say in how services are provided. This could include joint committees or boards that include representatives from both larger and smaller councils.

- **Dispute resolution mechanisms:** It is important to have mechanisms in place to resolve disputes between councils. This could include mediation or arbitration processes, or recourse to an independent body.
- **Transition support:** Providing support to councils during the transition to the new arrangements can help mitigate risks. This could include financial support, training, and technical assistance.
- **Communication and engagement:** Regular communication and engagement with all stakeholders, including staff, elected officials, and the community, is crucial during service design. This can help address concerns, build support for the reforms, and ensure that the process is transparent and inclusive.
- **Protecting local Jobs:** Opportunities to build and maintain local employment should be built into any agreement. This could include establishing cloud-based business systems accessible from any location, making best use of local and regional council infrastructure, and using regional training and development programs to create pathways for recruiting local staff.

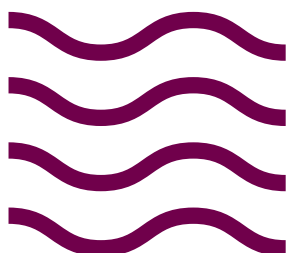
**Recommendation 10:** Give councils the opportunity to design identified shared service arrangements themselves, with a model only being imposed if councils cannot reach consensus.

There must also be a quality assurance mechanism to ensure that the service sharing agreement is robust and effective. The Board recommends that, before being finalised, the service sharing arrangement should be referred to the new Local Government Board for review. The Board would include (or have access to) experts in council service delivery. The Board's review of the model would provide a degree of quality control over the councils' model and give the Minister comfort the arrangement is likely to be effective and should be endorsed. After considering the Board's advice, the Minister would then issue a Ministerial Order under the new mandated power to direct councils to participate in the arrangement.

**Recommendation 11:** Before endorsing a particular mandatory shared service arrangement, the Minister for Local Government should seek the advice of the Local Government Board.

The Minister should also be empowered to compel council participation if consensus cannot be reached. In most circumstances, councils would be expected to develop a consensus agreement for service sharing. However, if after a reasonable time, councils had not been able to reach consensus, the Minister should have the power to direct them to adopt a model of the Minister's choosing. The Minister would need to seek advice on the design of this model from the Local Government Board before directing councils to participate in it.

Amendments will be needed to the Act to enable the Minister to endorse and lock in a service sharing agreement for councils, or failing that, to require councils to participate in a sharing model developed by the Government. Creating this statutory power is an important precursor to commencing any new service sharing agreements.



**Recommendation 12:** If councils are unable to reach consensus on a mandatory service sharing agreement, the Minister for Local Government should require councils to participate in a specific model or models the Tasmanian Government has developed.

### Early priorities for mandated shared services

The Board has identified three early priorities for new mandatory shared service arrangements it believes would deliver strong benefits to the community and the sector, while helping to test and embed this approach. These priorities are:

- sharing of key technical staff performing regulatory functions (e.g. Environmental Health Officers);
- sharing of common digital business systems and ICT infrastructure; and
- sharing of asset management expertise.

Over time, there are likely to be other services that would benefit from becoming mandatory shared services, and these may extend to areas such as stormwater management, roads, and other infrastructure. Some procurement is already being managed on a common basis by several councils through LGAT Procurement. While it may not be advantageous for larger councils to use a shared procurement arrangement, it would seem to make good business sense for all smaller councils to be buying collectively.

Another mandatory sharing arrangement that is worthy of further exploration over time is full cycle waste management. There are already several regional waste arrangements in place, and further consolidation and broadening of the services offered could be explored over time.

### Sharing of key technical staff

Most councils have told us they are having difficulty recruiting and retaining key technical staff, particularly environmental health officers (EHOs), planners, and engineers. While these professions are experiencing shortages nationally, they are felt acutely in Tasmania, particularly in rural councils. There are already a range of one-off service sharing arrangements in place for these services, however these are not addressing the needs of councils. To fill this gap, the Board believes there are benefits in a whole-of-sector mandatory arrangement.

As well as making better use of the available pool of resources, a shared service arrangement for key technical staff would enable a cooperative approach to workforce development, including training, recruitment, and retention. Recommendation 36 provides more detail on workforce development for key technical staff more generally.

In the first instance, the Board believes the focus should be on the provision of environmental health services by EHOs. EHOs are the front-line workforce of the health protection and environmental management system, particularly at a local community level. They have delegated responsibilities to enforce elements of a number of legislative instruments, notably the *Public Health Act 1997*, the *Food Act 2003* and the *Environmental Management and Pollution Control Act 1994*. As noted above, we have also seen a number of regulatory compliance deficiencies in environmental health services that need to be addressed as a priority.

While it would be up to councils to produce the best design for sharing EHO services, it might operate best at a regional scale, given the need for on-site visits. These regional scale arrangements could be supported by a state-wide network, however, given the diverse range of specialist skills and knowledge EHOs need to draw on from time to time. The Tasmanian Department of Health should be an important contributor to the design of a shared service arrangement for EHOs.

Once the EHO arrangements have been bedded down, the Board recommends that similar arrangements for planners, engineers, and other areas of agreed acute need, be considered.

### **A shared digital business system**

Recommendation 29 involves the establishment of common digital business systems and ICT infrastructure for all councils. The 2017 KPMG Northern Tasmanian Councils Shared Services Study found that adopting common IT platforms provides the greatest gains of any of the shared services considered, primarily because it provides a foundation for other shared service initiatives.

Most of the potential benefit in shared platforms is in the ability to consolidate and drive synergies in processes across all operations of the councils, regardless of their physical location, size and complexity. This includes the standardisation of all corporate applications (finance, procurement, human resources etc.) as well as specialist technology platforms used for engineering and GIS, planning and design, asset management and risk management.

Standardisation also allows for the consolidation of community facing obligations through effective customer relationship management (CRM) capability and the potential sharing of information across council boundaries to facilitate better outcomes through strategic planning occurring at a regional rather than council level. This also requires all councils to commit to consistent business processes and training methods in order that staff in one council can operate those business processes on behalf of other councils.

The Board shares this view and believes that common digital business systems should be mandatory for all Tasmanian councils. It is acknowledged the Tasmanian Government is now also working towards a similar strategic objective.

A necessary precursor to all councils using the same system would be for councils to standardise their business processes. Given the complexity of migrating all councils to new common systems, and existing contractual commitments, a reasonable transition period of five to eight years would be needed. While this kind of digital transformation is challenging, it is entirely feasible and can yield significant benefits (see the Devonport case study below).

### **Case Study: Digital transformation in Devonport City Council**

Since 2018, Devonport City Council has gone through a digital transformation that has seen many of its business services being moved onto an online, cloud-based platform. This has yielded improved service delivery and operational efficiencies as well as greater productivity for staff and reduced frustration.

Council has undertaken more than 40 discrete projects to achieve this digital transformation, including cloud records migration, complete Microsoft 365 implementation, TechnologyOne cloud transition, asset management system implementation, Business Intelligence, 600+ process automations, seven new Council websites, 100+ self-service electronic forms for the community, 70+ internal electronic forms for employees, online service booking systems for planning, plumbing, environmental health, cloud-hosted telephony and a chatbot on Council's website offering 24/7 personalised service and quick responses to enquiries.

The digital improvements implemented before the COVID-19 pandemic ensured that the Council was well positioned to respond to the disruption of the pandemic. They enabled Council to maintain employee productivity through remote working and to continue to deliver services to the community with very little interruption.



Initially, the mandated arrangement would apply to the design, procurement, and establishment of a common digital business system. The Department of Premier and Cabinet's Digital Strategy and Services (DSS) should support councils in terms of design and procurement, establishing a vendor panel that would be made available to councils enabling streamlined procurement and ensuring trust in the security of systems. DSS currently brokers vendor panels across government for data networks and digital communications. Councils would need to work together to agree on governance of the operating and financial models as well as a technology roadmap. That will provide a foundation on which to extend other resource sharing arrangements.

One important design consideration would be integration with customer-facing online systems of Service Tasmania. Service Tasmania will soon be launching a digital services portal (myServiceTas), providing Tasmanians with a secure and easy-to-use access point for Government services, accessed through a single login. Stage 1 will allow Tasmanians to create a secure account to access their digital services, initially focused on common transport transactions. Service Tasmania is currently working to secure ongoing funding to maintain and grow myServiceTas. Over time, and subject to this further funding, it will provide foundational tools that could potentially assist councils to enhance the range of services that can be offered online. Examples of these tools include e-forms, a central customer relationship management platform and a systems integration capability.

Once the common digital business systems are put in place, councils should consider how the system can best support the delivery of online services to council clients and how councils can best work together, through the sharing of resources to maximise the effectiveness and efficiencies the system will deliver.

Rather than leading to centralisation of jobs, the opposite would be enabled. A council officer in any part of Tasmania with good internet access would be able to carry out work for any other council elsewhere in the State.

There may be some reluctance from the largest councils to participate in common digital business systems. While they may have the capability to operate an independent system themselves, this would not be in the best interests of the community, council staff and the sector at large, as it would limit the ability of those councils to collaborate with the rest of the sector and would deny their staff transferrable skills that lead to enhanced job opportunities across the sector.

### **Asset management**

The Board heard from councils throughout the Review that there is a critical need for more consistent and transparent asset management to ensure the financial sustainability of councils and their assets into the future. Asset management is currently undertaken by councils in-house. The Board identified major anomalies in the way different councils value and assess the condition of otherwise similar assets. We have been concerned to hear from the sector, and explore further through our inquiries, that the useful lives of assets may be being improperly extended, including through overly favourable condition assessments. Inaccurate asset assessments would make councils' operating results and balance sheets look better than they should, thereby jeopardising councils' long-term financial sustainability.

To improve the robustness of asset assessments, the Board is recommending that the asset management function be established as a mandatory shared service. This service would undertake asset valuations, and condition assessments and support councils to develop whole-of-life costings for major assets and infrastructure. It would assess and cost assets according to a set of agreed, objective standards, independent of the influence of individual councils. In the future, it could also provide support to councils in formulating and updating their long-term strategic asset management plans. However, it is important that strategic asset management decisions remain with councils.

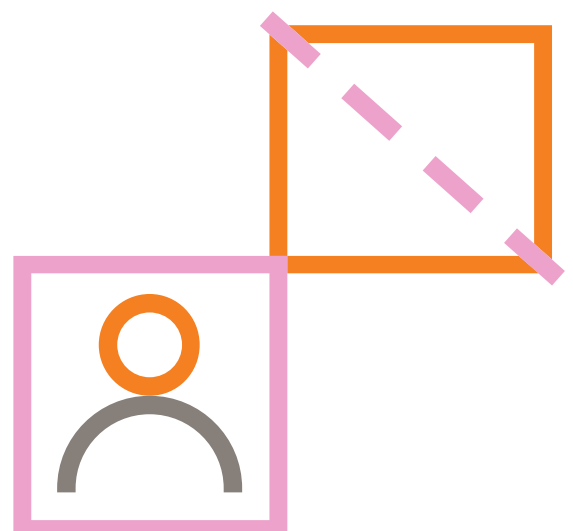
With asset management expertise consolidated in this shared service, the new council-owned body would be well placed to coordinate councils' bids for asset funding from the Australian and Tasmanian Governments. A shared approach would reduce the risk of unhealthy competition for funding between councils, and of 'pork-barrelling' leading to councils receiving capital grants that do not meet their community's highest needs.

For the new entity to be effective in this role, however, it would need to be recognised by both Australian Government and State funding bodies, and its advice on priorities accepted by them. While councils should be given the opportunity to design this service themselves, the Board believes that a single state-wide body should be carefully considered. A single body would be more influential with other spheres of government and could marshal the expertise needed to give weight to its assessments.

This initiative to establish an independent shared asset management capability complements reforms to standardise useful life ranges for assets (Recommendation 31) and to streamline asset management documentation and improve council compliance (Recommendation 30).

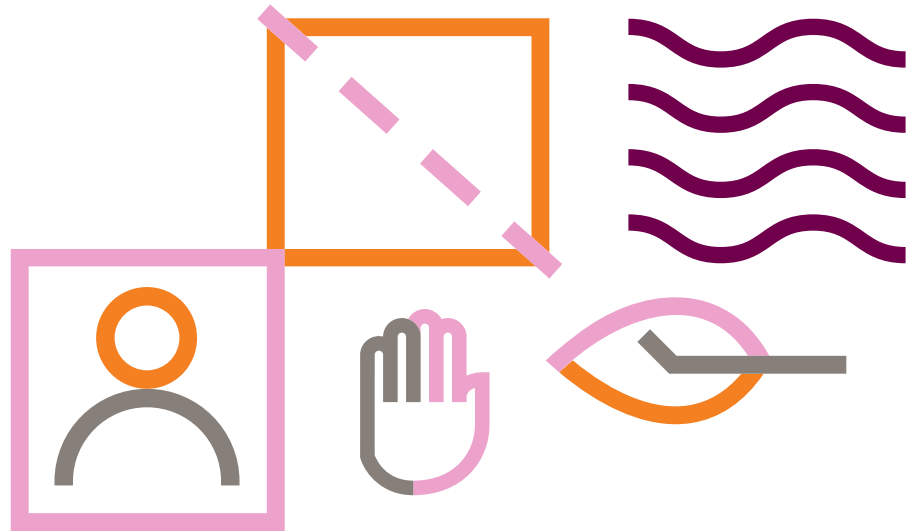
**Recommendation 13:** The first priorities for developing mandatory shared service arrangements should be:

- sharing of key technical staff;
- sharing of common digital business systems and ICT infrastructure; and
- sharing of asset management expertise through a centralised, council-owned authority.





## 4. Specific Reform Recommendations



## Key Takeaways

- > Our Specific Reform recommendations are aimed at improving the overall governance, funding, and service performance of councils and at delivering on the five Core Community Outcomes.
- > Specific reforms will deliver better outcomes where they are accompanied by substantive structural reform. However, they should be progressed irrespective of whether any council amalgamations proceed.
- > Key reforms include:
  - o a range of measures to increase the simplicity, equity, and transparency of council rating and other sources of revenue.
  - o improvements to the rigour and consistency of councils' strategic asset management practices and processes.
  - o new learning and professional development requirements for elected members, commencing from when they first choose to stand for office.
  - o the introduction of a new Strategic Planning and Reporting Framework for councils, which is linked to councils' overall delivery against their community wellbeing and sustainability goals.
  - o enhanced regulatory oversight and intervention capability based on a risk-based, intelligence driven early intervention approach.
  - o the development of a comprehensive local government workforce strategy.
  - o strategic partnerships between councils and the Tasmanian Government to support more integrated and seamless 'front desk' services to the community, and more effective co-regulation in important areas of council responsibility.

## Community Outcome 1: Support healthy and sustainable local communities:

By being clear on the role of councils' and elected representatives, and ensuring they have the resources and support they need to deliver that role.

Reform recommendations under this Community Outcome focus on:

- clarifying the contemporary future role of local government - with an emphasis on supporting community wellbeing and sustainability - and having this form the basis for a new Strategic Planning and Reporting Framework to guide the future direction and continuous improvement of councils;
- building the knowledge, skills and capability of our elected representatives, so that they provide high quality representation and leadership to their communities; and
- ensuring fairer and more transparent funding mechanisms which enable councils to sustainably fund and deliver the services their communities need.

## A clearer wellbeing role for local government, guiding strategic decision-making and continuous performance improvement

Tasmania is facing growing set of issues which are impacting the wellbeing of our communities and will continue to do so. These include climate change and increasing natural disasters, access to housing, population ageing, safety and social inclusion, and access to employment and essential services. Our engagement revealed these issues are major concerns for our younger generations, who will be significantly impacted by them in the future.

There is broad acceptance that councils should continue to play a key role in supporting the wellbeing of their communities. Councils have a range of local knowledge, resources, and policy levers available to them which can impact and support the wellbeing of their communities. This includes how they plan and manage their built and natural environments, fund or facilitate services, or advocate to the Tasmanian and Australian Governments to support action for pressing community issues.

However, several structural and policy issues are presenting a barrier to councils being able to maximise wellbeing outcomes in their communities, such as:

- there is no definitive definition of wellbeing that is relevant to local (and State) government;
- there is no clear policy or legislative framework that acknowledges councils' role in supporting community wellbeing;
- there are different understandings and expectations across the sector of what councils should and should not be doing;
- due to a lack of role clarity, there is uneven capacity and capability across the sector when it comes to strategic wellbeing planning and service delivery; and



- there is an absence of data or insights (at a State or local level) into the wellbeing of Tasmanians to inform strategic planning and local service delivery.

An increased focus on community wellbeing and sustainability reflects an ongoing shift in governance and policy making across all spheres of Government – both nationally and overseas. The examples below demonstrate work in this space that has emerged since the beginning of the Review. These provide our sector with the opportunity to be a key partner with Australian and Tasmanian Governments to deliver the best possible local wellbeing outcomes, but the councils need a solid foundation to build their capacity and capability across these areas.

- In July 2023 the Australian Government released [Australia's first Wellbeing Framework](#), featuring 50 indicators across five key themes – healthy, secure, sustainable, cohesive and prosperous. The Australian Government is currently working to embed these indicators into all facets of its decision making.
- The Tasmanian Government is currently developing its own [Wellbeing Framework](#) and [Sustainability Strategy](#), both with a focus on how we can best support the wellbeing and sustainability of Tasmanian communities into the future.

**Recommendation 14:** Include a statutory requirement for councils to consult with local communities to identify wellbeing priorities, objectives, and outcomes in a new Local Government Act. Once identified, councils would be required to integrate the priorities into their strategic planning, service delivery and decision-making processes.

In setting their key wellbeing priorities, councils should engage with their communities, in a deliberative manner, to develop a clear understanding of the key issues they face. This approach recognises that councils must have flexibility to determine their own wellbeing objectives and outcomes in accordance with the specific needs and circumstances of their communities.

The Tasmanian Government should work with the sector to ensure councils can also support and directly contribute to any state-wide wellbeing and sustainability targets where these are established in the future.

All strategic planning and performance monitoring requirements mandated under the proposed Strategic Planning and Reporting Framework (see Recommendation 3) should be done through a lens that considers the social, economic, and environmental impact of decisions and the wellbeing of local communities.

Clarifying the role of councils through the role statement and Charter (see Recommendations 1 and 2) will provide clarity on where the sector can and should be influencing community wellbeing, versus where there may be a role for the Tasmanian Government or the community or private sector.

This should also help councils understand where they should either be providing a service or instead taking on a role as advocate or facilitator for an alternative service provider (such as the operation of primary healthcare services).

Councils should be required to report publicly on progress against their sustainability and wellbeing priorities in their annual reports to provide transparency on how they are considering and working towards these priorities.

### **Better pre-election education for candidates**

Consultation and engagement undertaken as part of this review and the previous 2020 Local Government Legislation Review found that some candidates nominate for election to council with little knowledge of the formal functions, responsibilities, and obligations of elected members.

This can result in some newly elected members entering the role with unrealistic expectations or even incorrect beliefs and assumptions about their decision-making remit and statutory responsibilities. This can be the case especially when it comes to the distinct and complex role of councils as planning authorities.

Several other jurisdictions including – Victoria, Queensland, Western Australia, and the Northern Territory – have in recent years instituted basic, mandated pre-nomination candidate training. These courses are delivered via online platforms and can typically be completed in around an hour. Sector and community feedback during the Review indicated a strong level of support for this type of initiative. There is broad acceptance that those seeking to represent their community on council need at least a good basic understanding of the role and what will be expected of them. However, it was also noted that any pre-nomination training should be concise, targeted, and meaningful, and not so onerous to become a barrier to prospective candidates.

**Recommendation 15:** To be eligible to stand for election to council, all candidates must first undertake – within six months prior to nominating – a prescribed, mandatory education session, to ensure all candidates understand the role of councillor and their responsibilities if elected.

To give effect to this recommendation, a new legislative provision should be introduced in either the new Act or in a new Local Government Elections Act, Candidates should have to include evidence they have completed the session as part of the formal candidate nomination process.

### **Good practice and precedent – mandatory pre-election training**

Victoria, Queensland, and Western Australia have all instituted mandated pre-nomination candidate training courses. In all instances, courses are designed to be delivered principally online, and have a strong education and information focus – there are no ‘tests’ or ‘exams’ and the training does not confer any kind of qualification. However, candidates must be able to validate their completion of the courses.

Course content typically involves a range of information on councillor responsibilities, governance and decision-making, and available support and resources, for example:

- the basics of local government and its place in Australia’s political system;
- who is eligible to run for council;
- what councils are responsible for;
- the role and obligations of being a councillor;
- the role of the CEO/General manager and council staff;
- time commitment involved;
- councillor Code of Conduct and the Oath of Office; and
- confidentiality requirements

The requirement should apply equally to first time candidates, candidates who have run previously, and current elected members running for re-election. The course should have an education focus and cover the basics of Tasmania's system of local government and the key roles, functions, and responsibilities of elected members. It should also cover essential information about the conduct of election campaigns, including expenditure and the declaration of interests and other requirements.

The course should be developed and managed by the Office of Local Government in consultation with LGAT and the Tasmanian Electoral Commission.

The course should exist as an online module, with ongoing accessibility support for prospective candidates with a disability, literacy, financial, technology, language or issues which present a barrier to completing the course.

The course should be offered free of charge for participants, but the sector should fund the cost of its design and ongoing delivery.

### **Minimum prescribed learning and development modules for elected members**

We heard throughout the Review about the variable capabilities and competencies of elected members both within and across councils around the State. The sector and the community strongly support reforms to improve the overall capability and professionalism of elected members.

Good governance and stewardship can only be supported by well-informed councillors who understand their role and responsibilities, as well as those of others. Prompt action is needed to lift standards overall and promote a stronger ongoing professional development culture in the sector.

While recognising their needs will be different, learning and development is important for all councillors, whether they are new or returned. A positive culture for councillors should embrace and elevate the importance of ongoing learning and professional development.

The Board strongly supports work already underway by the Office of Local Government and LGAT to develop and roll out a renewed learning and development framework for elected members. This work builds on the findings of the 2020 Local Government Legislation Review and is part of a broader set of reforms being progressed to improve the workplace culture of local government for councillors.

The Legislation Review proposed the establishment of a 'core capability framework' but stopped short of recommending mandated minimum learning and development for elected members (except for training on the specific role of councils as a planning authorities).

**Recommendation 16:** The Tasmanian Government and the local government sector should jointly develop and implement a contemporary, best practice learning and ongoing professional development framework for elected members. As part of this framework, under a new Local Government Act:

- all elected members – including both new and returning councillors – should be required to complete a prescribed 'core' learning and development program within the first 12 months of being elected; and
- councils should be required to prepare, at the beginning of each new term, an elected member learning and capability development plan to support the broader ongoing professional development needs of their elected members.

The Board's view is that – in hindsight – these recommendations of the Legislation Review should be bolstered. Supporting improvements in overall elected member capability and competency should be 'baked in' to the legislative framework for the sector for it be given the priority and focus it deserves. Presently, the Local Government Act is entirely silent on the professional capability and competency of elected members.

Again, the requirement should apply to both new and returning councillors, as courses will be updated every electoral cycle to reflect legislative changes and other developments relevant to the sector. This is consistent with the approach taken in other jurisdictions which have introduced mandatory training and education.

The content of the mandated learning program would be developed in further consultation with the sector and prescribed by way a Ministerial Order or similar instrument. However, we think it should cover the following topics:

- introduction to local government (post-election induction);
- good governance and professional conduct;
- legal responsibilities;
- council and committee meeting procedures;
- council as a planning authority;
- financial management and reporting;
- strategic asset management; and
- community engagement, representation, and advocacy.

### **Good practice and precedent – Compulsory elected member development**

Several Australian jurisdictions have recently introduced compulsory minimum training and education requirements for elected members, in recognition of the unique, diverse, and challenging roles councillors are expected to undertake, and the different and varying backgrounds of the people who stand for office.

- In 2019 Western Australia brought in a requirement for all council members to undertake a 'council member essentials' course within the first 12 months of being elected, unless they have a specific existing qualification in local government administration (i.e. a Diploma of Local Government). The course must be completed by first time and returning councillors alike. The course is offered by TAFE and the local government association. Councils are also required to prepare and adopt a 'continuing professional development' policy, reviewed after each election cycle, which considers the development needs of councillors.
- In 2022, South Australia introduced a legislative requirement for mandatory minimum training for councillors, which also provides for suspension of councillors who fail to complete the training. Again, the training must be completed by new and returning councillors within 12 months of the councillor's election. It may be delivered internally by councils or by external providers. Guidelines are also provided around additional areas for professional development outside the mandatory requirements.

The mandated learning program should be regularly reviewed and refreshed – at a minimum once every council electoral cycle – to ensure it remains contemporary. The ongoing cost of the program should be met by the sector.

Councils should be required to record and publicly report – in their annual report – their compliance of councillors with the minimum learning and development obligations. Failure by elected members without good reason to comply could form the basis for issuing a Performance Improvement Direction to an individual councillor or council.

Beyond having councillors complete the minimum prescribed requirements, councils would develop their own individual learning and development plans after every election to support additional, specific needs of their elected members against the professional development framework. Councils would need to make reasonable provision in their budgets to support participation of councillors in learning and development opportunities consistent with those plans.

This approach will ensure councils have the requisite flexibility to tailor learning and development needs to their councils and councillors but will give the community confidence that all elected officials share a common, solid platform of basic core competencies which enables them to represent the community with diligence and professionalism.

Opportunities to leverage courses offered by the Tasmanian Training Consortium, the University of Tasmania, and other providers to deliver scale efficiency in the cost of delivery should be explored wherever possible.

### **Improving rating outcomes for electricity generation and mining**

The Board has noted the advocacy of regional Tasmanian councils for improved outcomes from the rating system for land uses including hydroelectric dams, wind farms, and carbon-abatement schemes.

Under the current system, some councils apply their discretionary rating powers to impose rates that are, in effect, a form of revenue or output taxation. For example, the West Coast Council imposes rates on wind farm, mining, and aquaculture operations that are more than the annual assessed value (rental value) issued by the Valuer-General.

Using rates based on improved land values to tax the economic rents generated by mining, energy or commercial operations is not desirable or efficient because rates are unrelated to output or profitability and can therefore distort investment decisions. Councils are using rates in this way because they cannot access alternative funding sources or other efficient means to tax these operations.

It would be preferable that these kinds of major commercial operations – where land is not a major input cost or means of production – were subject to a simple and efficient output, revenue, or profit taxation model, with revenue distributed directly to councils and communities where these businesses operate. These uses would then logically become exempt from council rates.

The Board believes options for a revenue-sharing model between state and local governments should be considered for certain large commercial operations to ensure that local communities benefit from hosting these businesses and councils can provide the infrastructure they need without needing to resort to ‘punitive’ rating.



This type of approach would minimise the risk that council rating decisions become a barrier to much-needed renewable energy development in particular, while providing appropriate support for services and infrastructure development to communities.

**Recommendation 17:** The Tasmanian Government should further investigate and consider introducing an alternative framework for councils to raise revenue from major commercial operations in their local government areas, where rates based on the improved value of land are not an efficient, effective, or equitable form of taxation.

The Board recommends Tasmanian Government agencies, LGAT and key industry stakeholders work together to investigate potential models and approaches (including those that have been implemented in other jurisdictions) and make recommendations on the best way forward.

### **Good practice and precedent -Victoria's Payment in Lieu of Rates Scheme**

Under the *Electricity Industry Act 2000*, Victorian energy generators can elect to pay a negotiated sum in place of council rates (this is known as Payment in Lieu of Rates – PiLoR).

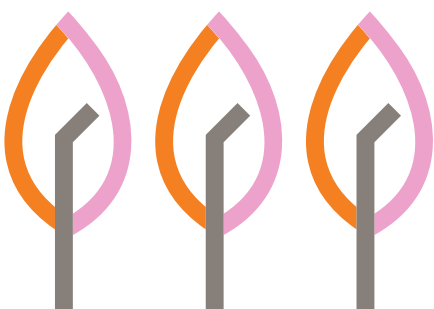
Solar and wind generators can pay a rate based upon their electricity generation, or a set amount (whichever is greater). Alternatively, if they are a large electricity generator or do not produce solar or wind, they are able to pay a fixed rate with a variable charge based upon their electricity generation.

This approach recognises that electricity generation is extremely capital investment intensive and councils imposing rates on improved land values may lead to adverse outcomes. See the [PiLoR factsheet](#) for more details.

### **More consistent and efficient infrastructure charging**

There is a clear and compelling strategic context to improve our system of infrastructure charging. Councils and governments face increasing costs as the Tasmanian population grows and changes, and its service and infrastructure needs become more complex (and expensive) to meet.

Well-designed infrastructure charging can support housing supply and enhance the sustainability of local governments and communities. The Productivity Commission and New South Wales Productivity Commission, alongside the Henry Tax Review, have articulated the principles and benefits associated with infrastructure charging and the public and private savings associated with efficient land use.



Tasmania currently has a limited and piecemeal system of infrastructure or developer charging. Beyond open space contributions and contributed works in greenfields subdivisions, councils rely on discretionary mechanisms such as planning permit conditions and Part 5 agreements under the *Land Use Planning and Approvals Act 1993*. These mechanisms are viewed by the sector as limited and vulnerable to challenge.

Tasmania raises the least of any Australian jurisdiction per lot from developer contributions. It also levies charges for only a limited scope of infrastructure and services compared to other states, which in some cases capture broad social infrastructure and service costs.

Infrastructure charges promote efficiency and encourage the development of well-located land to its highest value. Lower density, greenfields housing development imposes high infrastructure costs per dwelling relative to infill development, and in rural communities, dispersed development imposes higher costs than township development, including on service provision.

**Recommendation 18:** The Tasmanian Government should work with the sector and the development industry to further investigate and consider introducing a marginal cost-based integrated developer charging regime.

The Board recommends the Tasmanian Government works with the sector and key stakeholders to undertake a significant policy review to consider a legislated, state-wide, and consistent infrastructure charging regime.

The review should include consideration of the range of social infrastructure which might be appropriately supported by revenue raised through such a scheme.

The review should focus on establishing a consistent, state-wide system to ensure best practice can be achieved and that councils do not undermine the efficiency of land use decisions by undercutting each other on infrastructure charges. LGAT has called for a system of “general charging” for infrastructure charging<sup>13</sup>, integrated with infrastructure planning. The Board is broadly in support of this concept, provided reform is oriented towards efficient, marginal cost pricing and supported by legislated guidelines.

### **Increased transparency of rates information to the community**

Reforms to the rating tools and powers afforded to councils should be accompanied by measures to enhance public confidence in councils’ financial management.

Councils set a tax rate—or many tax rates—in their annual budget process. Because these are imposed upon the shifting target of statutory valuations, which may be adjusted or reissued by the Valuer-General in a given year, it is very difficult for members of the public to understand what underpins their annual rates notice.

Councils currently adopt a variety of approaches for communicating information about rates and rating changes to their communities. Some councils already issue information on how rates are applied in respect of various functions and community services in the community.

However, there is no consistency in current approaches, which makes it hard for community members in different local government areas to have access to a common set of simple and comparable information on rating changes.

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<sup>13</sup> LGAT 2022. *Infrastructure Contributions Discussion Paper*. ([www.lgat.tas.gov.au/\\_\\_\\_data/assets/pdf\\_file/0030/1139691/LGAT-Infrastructure-Contributions-Discussion-Paper-II-April-2022.pdf](http://www.lgat.tas.gov.au/___data/assets/pdf_file/0030/1139691/LGAT-Infrastructure-Contributions-Discussion-Paper-II-April-2022.pdf))

The Local Government Act only requires councils to provide the following information in rates notices.

- the land in respect of which the rates are payable;
- the rates payable by that ratepayer;
- the basis on which the rates payable are calculated;
- any factor by which the rates are varied;
- the period for which the rates are payable;
- the date by which the rates are due to be paid;
- the place or places where the rates may be paid;
- the date on which the notice is issued;
- whether the rates may be paid in one sum or by instalments;
- the date or dates on which instalments are to be paid;
- any rebate payable for early payment;
- if interest is payable on unpaid rates, the rate at which it is payable;
- if a penalty is payable if rates are not paid by the due date, the percentage rate applicable to such a penalty;
- if a minimum amount is payable, that minimum amount.

Providing, additional, standardised, easy to understand information in rates notices will help communities understand their council's rating practices and financial management decisions and should increase community engagement and council accountability.

**Recommendation 19:** Introduce additional minimum information requirements for council rates notices to improve public transparency, accountability, and confidence in council rating and financial management decisions.

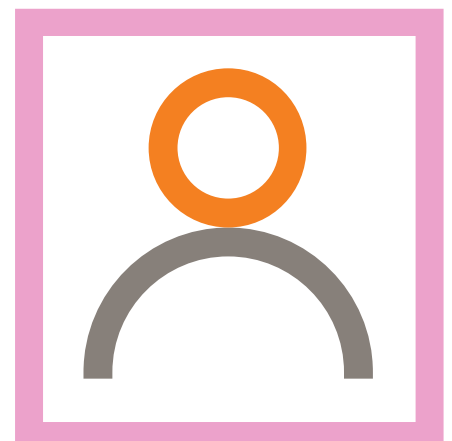
New mandatory 'plain english' information requirements for council rates notices should be prescribed through a Ministerial Order or comparable instrument.

These requirements should be developed in consultation with the sector to ensure they are useful to the community and fit for purpose, but they might include for example:

- an explanation of the landowner's year-on-year change in general rates payable, and what component of this is attributable to:
  - any rating policy change of the council (such as the imposition of a varied or progressive rate);
  - change in the property's valuation; and
  - changes in the general rate component fixed by the council each year;
- the average year-on-year general rate change for a property in the municipality, expressed as relative change; and
- a simple break-down of how a council has rates have been applied to categories of functions and services provided to the community.

The Office of Local Government should also review its Consolidated Data Collection Process to significantly enhance the granularity, quality, and reliability of rating and revenue information collected from councils, including the reporting of councils' rates resolutions in a comparable format.

This information would underpin a continuing and enhanced performance dashboard as part of the proposed integrated Strategic Planning and Reporting Framework (see recommendation 3).



## Efficient and effective distribution of Australian Government Financial Assistance Grants

The general purpose and roads financial assistance grants paid by the Australian Government and distributed by the Tasmanian State Grants Commission (the Commission) are an important source of revenue support for smaller councils. For councils such as the islands, Central Highlands, and Southern Midlands, these grants represent comparable or greater revenue per rateable property than rates.

The total financial assistance grant pool of almost \$98 million in 2023–24 is split between \$51 million in roads grants and \$47 million in general purpose assistance, of which more than \$14 million is allocated purely on a per-capita basis. Importantly, these funds once received by councils are entirely untied, increasing their importance as a source of recurrent and flexible operational revenue.

The grants are distributed by the Commission in accordance with principles contained within or set under the *Local Government (Financial Assistance) Act 1995* of the Commonwealth, including a general horizontal equalisation principle.

Within that framework, the Commission uses an assessment of road preservation requirements, along with an assessment of revenue capacity (based on relative property valuations) and various “cost adjusters” to apportion grants using a balanced budget approach. Importantly, the available pool of funding is only sufficient to meet a small part of the funding that would be required to allow councils to achieve a comparable standard.

While the Commission must operate within principles set at the national level, there is significant scope for the distribution of grants to be reconsidered to ensure assistance from the limited pool of funding is directed to those councils least able to meet the needs of their communities from their own resources.

UTAS research commissioned by the Board<sup>14</sup> suggests there may be several options – available within the constraints of the national framework – to adjust the grants allocation methodology

which could deliver more equitable outcomes for communities by better targeting relative fiscal disadvantage. These include:

- Allocating the entire base grant on a relative-need basis;
- Weighting the allocation of relative need-basis grant to reflect fiscal gaps as a share of councils’ assessed expenditure needs (‘proportional scaling’); and
- Reviewing expenditure cost adjusters to address anomalies and better reflect community need.

The technical aspects of these options are explained in more detail in the UTAS local government funding research paper<sup>15</sup>.

Separately to the methodology applied by the Commission is the broader matter of transparency and awareness around grants distribution. The Board has frequently heard from councils during the Review process that the current allocation methodology – in terms of both its underlying objectives and its technical application – is not well understood, and efforts should be made to improve overall awareness and understanding among elected members given the grants pool represents such a significant proportion of overall revenue for smaller regional councils in particular.

**Recommendation 20:** Within the context of the national framework, the Tasmanian Government should seek advice from the State Grants Commission on how it will ensure the Financial Assistance Grants methodology:

- is transparent and well understood by councils and the community,
- assistance is being targeted efficiently, and effectively, and
- is not acting as a disincentive for councils to pursue structural reform opportunities.

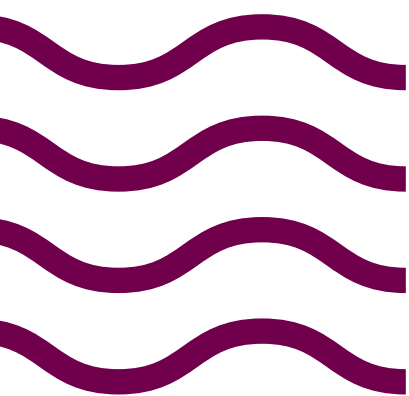
14 Tasmanian Policy Exchange 2023. Funding Tasmanian local government in the future: Key issues and reform options. Background Paper for the Future of Local Government Review. University of Tasmania.

15 Tasmanian Policy Exchange 2023. Funding Tasmanian local government in the future: Key issues and reform options. Background Paper for the Future of Local Government Review. University of Tasmania.

The Board notes the Commission has consulted with councils regarding an alternative approach to administering the ‘minimum grant’ principle, which would see it considered as a ‘floor’ rather than an initial allocation. Modelling indicates this would have a modest, positive outcome on the extent of fiscal disadvantage faced by Tasmanian councils. While acknowledging the Commission’s independence, the Board endorses this approach and recommends the Commission proceed with its proposal.

Subsequently, the Board recommends consideration be given to further review of the Commission’s methodology, considering:

- approaches of other jurisdictions, including the weighted balanced budget approach used in Queensland, rather than meeting a fixed proportion of all councils assessed deficits as at present;
- whether fewer, simpler, and more transparent cost adjustors can achieve comparable or superior equalisation outcomes; and
- the utility of caps and collars.



### Clear and equitable road funding

Establishing and maintaining roads is the largest individual cost item most councils face. Councils have access to capital grants for road construction, largely from the Australian Government, as well as access to some State funding sources for road maintenance.

One Tasmanian Government funding source is Heavy Vehicle Motor Tax Revenue, which the Tasmanian Government raises from heavy vehicle users through a road use charge designed to recover the costs of road wear and tear. The State Grants Commission recommends to the Tasmanian Treasurer the distribution of Heavy Vehicle Motor Tax Revenue amongst Tasmanian local government authorities. The Commission bases its recommendations on the results of the most recent Tasmanian Freight Survey, which is typically conducted by the Department of State Growth every three years.

The local government sector is critical of the total amount of this revenue passed on by the Tasmanian Government. It is concerned that the sector has received the same amount of \$1.5 million for 25 years. During this time, it estimates that the usage of local roads has steadily increased by 4 per cent per year, and the revenue collected by the state has increased by more than 200 per cent. As a result, councils argue that they have had to raise rates and subsidise heavy vehicle road access while the Tasmanian Government is reserving revenue that is meant to provide cost recovery. The Board believes this issue warrants further examination by the Tasmanian Government.

**Recommendation 21:** The Tasmanian Government should review the total amount of Heavy Vehicle Motor Tax revenue made available to councils and consider basing this total amount on service usage data.



### **Better and more consistent user fees and charges**

User charging, either through fees or beneficiary taxation, for goods or services which are not public goods is efficient and equitable. Generally, a price helps reveal how much of a service or good should be provided and prevents members of a community funding a service or good, which they gain no benefit from, through general taxation.

Where a service is identifiably private in nature, councils fully cost recover for that service. Where services provide a mixture of private and public benefit (as is the case, for instance, with some regulatory services), councils apply a mixture of user fees and general revenue. Councils should be required to transparently account for the additional subsidisation of a service subject to user charging in their financial reports.

Tasmanian councils raise less in revenue from fees and charges than councils nationally, though there are large variations between states on this measure. The Board has seen anecdotal evidence of councils using their fee setting powers, including for planning and development permits, to realise general revenues out of proportion with the service rendered for very large developments.

Conversely, it is understood that councils generally do not recover the cost of their regulatory services, even where these services benefit only an individual or group, and not the broader community.

**Recommendation 22:** Introduce a framework for council fees and charges in a new Local Government Act, to support the expanded, equitable and transparent utilisation of fees and charges to fund certain council services.

The Board's recommendation builds on the reform commitment arising from the 2020 Local Government Legislation Review that fee principles or guidelines be legislated, and that "[f]ees and charges should be reflective of the cost of the service being delivered as they are not a tax to raise general revenue."

The framework should provide:

- that user fees should not exceed the cost of providing a service (as councils have access to a more efficient and equitable source of general revenue, in council rates);
- that goods and services of a private nature must be fully cost recovered; and
- the basis on which councils should assess and transparently account for the partial or full subsidisation of services and goods with both public and private benefits.

### **Potential future improvements to our broader rating system**

The Board believes the current rating model as implemented in Tasmania could be significantly improved to increase its overall efficiency, equity, and transparency.

A well-designed and appropriate legislative framework for council rates will underpin the sector's potential to meet its own fiscal needs well into the future, without relying unduly on transfers from other spheres of government (which are typically funded from less efficient taxes).

Council rates are among the most efficient of all forms of taxation, and more efficient than many of the other taxes available to the Tasmanian or Australian Government. Rates cause little distortion to people's decision-making and little loss to the economy overall. Council rates, calculated on the improved value of landholdings, are also a progressive source of revenue, which is broadly consistent with the benefit principle.

Despite the autonomy offered to Tasmanian councils in the setting of rates, over the last decade councils have grown their own-source revenues less than the local government sector of any other state. Similarly, Tasmanian council rates have not kept pace with other sources of taxation at any level of the Australian federation.

Councils enjoy broad flexibility in the setting of rates and service rates and charges under the existing statutory framework. Given the efficiency of rates as a form of taxation there are clear benefits in councils retaining a significant degree of rating autonomy and flexibility. For this reason, the Board would not support any move to introduce rate caps adopted in other jurisdictions. Rate caps can be complex, they have been shown to result in unintended adverse outcomes, and they do not properly consider whether councils, at the outset, are raising appropriate and adequate revenues.

However, the multiple and overlapping rating tools afforded to councils under the Local Government Act create the risk that council rates as implemented are a far less efficient and equitable than they should be.

UTAS research commissioned by the Board identified a range of issues with the current rating system which warrant potential reform attention. UTAS notes “The complexity and diversity of approaches to rating, and of its interactions with valuation and equalisation processes, creates a range of challenges that limit councils’ ability to levy rates in accordance with the principles of good tax design<sup>16</sup>”.

The major issues include that:

1. the rating process is complicated, difficult for residents to understand, and highly variable, not just between but also within council areas and property classes;
2. the valuations used by councils to set their rates are not always fit for purpose and nor are they always consistent with market conditions. When valuations are inaccurate, the legitimacy and equity of the rating system as a whole may be compromised;
3. for some large commercial operations where land is not a major factor of production (such as mines and windfarms, for example), improved land value can be an inefficient tax base which often doesn’t reflect a business’s use of infrastructure nor its ability to pay. Under the current regime Tasmanian rates can vary significantly over the operating life of a project potentially deterring investment;
4. the highly variable effort applied by different councils in raising rates indirectly compromises the ability of the existing Financial Assistance Grant pool to be distributed in a way that maximises its potential for fuller equalisation and greater equity;
5. councils are subject to growing and unevenly distributed gaps in their rate bases created by partially and fully exempt property; and
6. rates are a tax on wealth and not income although the two are related. The growing numbers of asset-rich but cash-poor ratepayers – such as retirees and pensioners – limit the scope and prospects of systemic reform and more efficient use of the desirable tax base to which councils have access.

UTAS notes that “Together, these challenges undermine the fairness, efficiency, and sustainability not only of council rating but of the wider funding and equalisation system on which Tasmanian councils depend. This funding reform can’t be addressed by local governments alone but requires a cooperative approach.”

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<sup>16</sup> Tasmanian Policy Exchange 2023. *Funding Tasmanian local government in the future: Key issues and reform options. Background Paper for the Future of Local Government Review.* University of Tasmania.

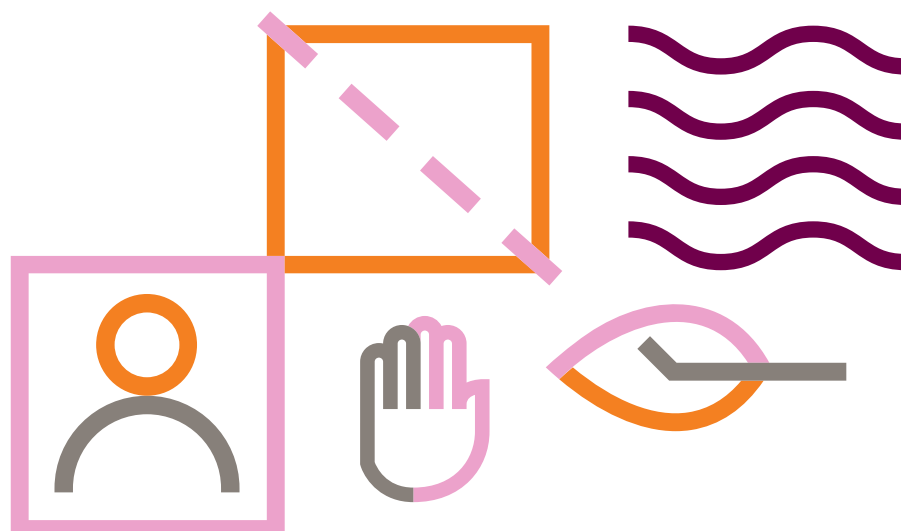
**Recommendation 23:** The Tasmanian Government should review the current rating system under the Local Government Act to make it simpler, more equitable, and more predictable for landowners. The review should only be undertaken following implementation of the Board's other rating and revenue recommendations.

Following consideration of all the measures proposed previously in this Report to improve and broaden non-rate sources of council revenue, a review of the current rating model in Tasmania should be done to identify options to address issues flagged with the Board, and improve its overall efficiency, effectiveness, and transparency.

The review should be done in close consultation with the sector – potentially under the auspices of the Premier's Local Government Council.

The review should focus on ensuring council rating tools and provisions under the Act form a complementary and integrated system that balances appropriately the interests of councils, communities, and landowners.

The Review should focus on addressing the six key issues identified above.



## **Community Outcome 2: Deliver better services locally**

By helping councils build the systems they need to deliver better government services in their community, including through partnerships with other tiers of government.

Reform recommendations under this Community Outcome focus on:

- giving councils the right tools and frameworks to help them strategically engage on, plan, and deliver services that meet community wellbeing needs and expectations in an efficient, effective, and sustainable way;
- enhancing accountability by improving the quality, consistency, and transparency of councils' performance information so communities and the sector can understand clearly how well councils are performing and can continuously improve; and
- building and strengthening partnerships between local and Tasmanian Government that leverage shared systems, processes, and resources to unlock capability and improve local service delivery with a specific focus on collaboration in relation to important regulatory activities and customer facing front desk services.

### **Enhanced performance monitoring that supports the continuous improvement of councils**

As we explained in Chapter 1, the strategic planning practices of councils should be clearly aligned with the role statement and Charter. This will ensure councils are considering their legislative requirements and responsibilities through their planning all the way through to practical service delivery.

A key feature in any democratic government is the responsibility of elected officials to answer to their constituents on decisions made on their behalf, and to be clear about what factors or considerations influenced those decisions. There is substantial literature on the transparency value of consistent performance monitoring for local government, particularly in driving practical performance improvements at the individual council and sector-wide level, as well as supporting greater self-regulation and good governance.

In recent years, most other jurisdictions have undergone processes to improve transparency and accessibility of local government performance information. In many cases, this has involved the development of user-friendly websites that allow the community to quickly understand how their council is performing against a range of clear, consistent, and easy to understand performance measures. The Board developed a 'pilot' version of its own performance dashboard as part of the Review process. This has been well received by the community and the sector.

The Tasmanian local government performance monitoring system is due for a substantive review and renewal. There is broad consensus that the existing suite of local government financial, asset management, and service metrics are inadequate and inhibit genuine scrutiny of the absolute and relative performance of councils. This has stymied the Review's inquiry in several areas and made it difficult to glean a clear and consistent picture of absolute and relative historical performance of councils.

The 2020 Local Government Legislation Review recommended the introduction of an improved performance reporting system. Little progress has been made since then, and this needs to be remedied as a priority.

The need for a renewed system drawing on the substantial work that has been done in other jurisdictions has received almost universal support during consultation (noting that this support is on the assumption that any new reporting arrangements must replace, and not simply be built on top of, existing obligations).

The development and prompt and effective implementation and oversight of a renewed performance reporting system is a critical centrepiece of our reform package to support continuous improvement in the sector. It is essential to improve current reporting and monitoring deficits (particularly around service levels and quality), but also to allow for tracking of individual council and whole of sector performance over time to support robust, evidence-based decision-making on future structural or other reform in the sector.

**Recommendation 24:** The Tasmanian Government should work with the sector to develop, resource, and implement a best practice local government performance monitoring system.

A key feature of the system should be regular public reporting against a consistent and meaningful set of performance metrics covering councils' financial (including rating), regulatory, statutory compliance, and service level, cost, and quality performance.

The Minister for Local Government should have the power to prescribe specific metrics and approaches to collecting and presenting data to support transparent reporting on those metrics.

This reporting should be presented in an accessible and interactive format via a public online dashboard or portal, providing for the standalone and relative assessment of council performance on both a single year and longitudinal basis.

The dashboard should provide a 'one stop shop' for all data on council performance, including the delivery of functions performed under all relevant Tasmanian Government legislative frameworks – for example, building and plumbing, environmental health, and planning approvals.

Current data collection processes – particularly the annual Consolidated Data Collection – should be reviewed and streamlined wherever possible, with consideration given to developing a 'back end' digital reporting interface as part of the performance dashboard to eliminate current manual collection exercises and allow councils to upload their data directly.

As part of this process, all existing performance reporting obligations – including those under Ministerial Order – should be reviewed in consultation with the Tasmanian Audit Office, the sector, and all key end users of data to ensure they are useful and fit for purpose.



**Recommendation 25:** The Tasmanian Government should develop clear and consistent set of guidelines for the collection, recording, and publication of datasets that underpin the new performance reporting system to improve overall data consistency and integrity, and prescribe data methodologies and protocols via a Ministerial Order or similar mechanism.

The system will enable councils to transparently benchmark and track performance, setting targets for improvement in their strategic planning processes.

The development and implementation of this system should be led by the Office of Local Government, and ideally supported with specific, dedicated project funding.

### **Enhancing regulatory oversight and support for the sector**

Improved transparency in performance reporting, monitoring, and management will only deliver tangible improvements if it is supported by a well-resourced regulatory oversight capability with the requisite ‘teeth’ to intervene and address poor performance as and where it emerges.

Throughout the Review, the Board observed concerning statutory compliance failures by councils. For example, we found extensive non-compliance with statutory requirements to maintain and publish critical strategic planning documentation, and failures to undertake activities which pose genuine risks to public health and safety.

While we believe many of these failures are in large part due to capability challenges facing councils (often linked to a lack of scale and skills gaps), a lack of effective regulatory oversight in some areas by responsible entities also plays a role.

The Board believes the Office of Local Government should, wherever possible, adopt a regulatory approach that is risk-based and pro-active and that allows for proportionate, early intervention.

The Board notes and supports the approved reforms from the 2020 Local Government Legislation Review which would see the Director of Local Government given the power to appoint ‘advisors’ and ‘financial supervisors’ to enter a council to review its operations, request information from the council administration (and the audit panel), provide guidance to elected members and senior staff, and make recommendations to the council on a range of matters.

The effective utilisation of these kinds of tools, however, necessarily depends on good intelligence and robust and reliable data on the performance of councils, and a capability within regulatory entities to analyse and interpret it.

Resourcing constraints are a challenge for the Office of Local Government, and the natural consequence of this is that limited resources tend to be deployed reactively in response to issues that have already escalated to a point where a more acute or serious intervention may be required. Investment in data-driven intelligence-gathering systems and a more structured, routine pro-active compliance monitoring program are likely to be required to extract maximum value from the Board’s proposed performance monitoring system for the sector.

The Tasmanian Government should review the current resourcing and structure of the Office of Local Government to ensure it has the necessary capability to develop and manage an appropriate proactive, risk-based compliance monitoring and intervention program for the sector. Consideration should be given to sector contributions to fund the regulatory oversight functions of the Office of Local Government.

The role, function, and resourcing of council audit panels is another area that needs attention. An audit panel acts as an advisory committee to a council, and its broad functions are to 1) rigorously review and assess council performance; and 2) make recommendations to a council on strategic and operational matters that may require attention. The scope of audit panels' statutory remit is broad and includes the review of a council's performance in relation to its financial system, financial governance and risk management arrangements, financial management, all strategic, financial and asset management plans of the council, and all policies, systems and controls the council has in place to safeguard its long-term financial position. The Board's view is audit panels are currently under resourced, and do not meet frequently enough to provide effective assurance consistent with their broad-ranging responsibilities under the Local Government Act. Non-compliance by some councils with core statutory requirements for statutory plans in particular shows audit panels are not always able to pick up key risks and issues, or where they do there is insufficient accountability on councils for addressing compliance failures that are identified.

The current role, functions, powers, obligations, and resourcing of council audit panels should therefore be reviewed as a priority to ensure they have the capability to not only meet their current objectives, but also effectively support councils meet the requirements of the new Strategic Planning and Reporting Framework. Options for regional audit panels serving multiple councils should be actively explored. The Board also believes this to a large part because audit panels lack support from a dedicated and well-resourced internal audit capability. Bolstering this capability should be a priority.

Tasmanian Government agencies are required under Treasurer's Instructions to have an internal audit function because of the importance of the function in providing objective assurance and advice on a range of risk and compliance matters. Consideration should be given to introducing a similar requirement for councils given their responsibilities for managing significant public assets and resources, and whether this requirement needs to be legislated or otherwise mandated. Consideration should also be given to resourcing internal audit via service sharing or pooling arrangements, particularly for smaller councils. LGAT may be well placed to provide support for joint procurement for these councils of a shared capability.

**Recommendation 26:** The new Strategic Planning and Reporting Framework should actively inform and drive education, compliance, and regulatory enforcement activities for the sector, and entities with responsibility for compliance monitoring and management – including the Office of Local Government and council audit panels – should be properly empowered and resourced to effectively deliver their roles. As part of this the Tasmanian Government should consider introducing a requirement for councils to have an internal audit function given their responsibilities for managing significant public assets and resources, and whether this requirement needs to be legislated or otherwise mandated. Consideration should also be given to resourcing internal audit via service sharing or pooling arrangements, particularly for smaller councils.

Building on the agreed reforms of the 2020 Local Government Legislation Review and utilising a bolstered internal audit function, the Director of Local Government should be given the power to not only request audit panel reports, but to request internal audits be undertaken, with reports provided to the relevant council and the Director. Failure by a council to act on the recommendations of its audit panel – without sound justification – should be grounds for formal regulatory intervention, including the issuing of performance improvement directions under the Act.

The Office of Local Government, the Tasmanian Audit Office, and other State regulatory agencies should collaborate to improve the integration, efficiency, and effectiveness of performance oversight and compliance activities, including specific performance audits. Consideration should be given to staff secondments between regulatory entities to build capability.

### **Co-regulation for better outcomes**

Councils have a range of regulatory responsibilities under Tasmanian legislation. State agencies can share some of these regulatory responsibilities with councils or may have their own separate but related responsibilities.

Key regulations (and relevant state agencies) include:

- *Land Use Planning and Approvals Act 1993* (State Planning Office, Tasmanian Planning Commission, Parks and Wildlife Service)
- *Building Act 2016* (Consumer, Building and Occupational Services)
- *Environmental Management and Pollution Control Act 1994* (Environment Protection Authority)
- *Food Act 2003* (Department of Health)
- *Public Health Act 1997* (Department of Health)
- *Local Government Act 1993* (Office of Local Government).

There has at times been limited communication and coordination between councils and State agencies in the way they implement these responsibilities. Each works in isolation from the other. The respective responsibilities are not clearly documented and, as a result, risk being poorly understood by all parties. There is little shared understanding of the performance expectations of each party – both have historically perceived the other as under-performing.

For the community, this has caused confusion and frustration. They have often found it hard to know who to approach for advice. This poor communication can even be a problem within councils. An example that arose through the 2022 Tasmanian Agritourism Regulatory Mapping and Reform Project was agritourism businesses not realising they needed to talk to both a council planner and environmental health officer about holding events and providing a food service. For the broader community, the result has been poor regulatory outcomes, leading to public health and safety risks being poorly managed.

**Recommendation 27:** The Tasmanian Government should collaborate with the local government sector to support a genuine, co-regulatory approach to councils' regulatory responsibilities, with State agencies providing ongoing professional support to council staff and involving councils in all stages of regulatory design and implementation.

State agencies with legislative responsibility for regulatory functions delivered by councils need to collaborate with the local government sector to develop and implement a co-regulatory strategy. The aim of the strategy must be to ensure regulatory objectives are being achieved in the most cost-effective way, and without undue burden on the community.

The strategy should document the current regulatory responsibilities of councils and agencies and activities and identify priority actions that will improve the operation of the regulatory system.

Priority actions could include, for example:

- the creation or sharing of guidance material, templates and decision-making tools;
- collaboration on education and compliance programs;
- coordination on regulatory campaigns to achieve improved regulatory outcomes or address regulatory backlogs;
- agreements to review or redesign regulations to be more effective in achieving regulatory outcomes; and
- collaboration on shared workforce strategies to improve the regulatory capacity and capability of the public sector in Tasmania.

### **Good practice and precedent - Victoria's Better Regulatory Practice Framework.**

In Victoria, local government has a statutory responsibility to perform certain functions (such as registering food premises) on behalf of government. The Victorian Department of Health and Human Services sets overall policy and also works directly with local government and other co-regulators.

In 2018 the department published a Better Regulatory Practice Framework. It states that the department will tailor how it works with local government based on the nature of the risk, the range of non-regulatory tools available (for example, funding arrangements and capability building), and the powers provided in the relevant legislative frameworks. As the framework notes: "Where department regulators work with local government, as with any co-regulators, the department's regulators understand that the community has expectations about the outcomes that they expect 'government' to achieve (for example, 'providing all Victorians with equal access to health and human services' or 'ensuring safe drinking water'). These expectations are rarely guided by the jurisdictional roles, functions or operating models selected by 'government' – such as differentiating between 'local government' and 'Tasmanian Government'. Therefore, the department's regulators work with co-regulators and other stakeholders to achieve community outcomes."

Where appropriate, consultation with the community would inform the setting of priorities.

As part of its contribution to the strategy, each state agency should ensure there is a dedicated support point where council regulators can access advice and information.

The development of new co-regulatory strategies could logically be piloted through partnerships in regions where new, larger councils are being created through voluntary amalgamation. This would assist participating councils at a time when they are already bringing together their regulatory systems and establishing new ways of operating.

It would be prudent to focus the pilot on a particular area of regulatory responsibility, such as plumbing permitting, and then applying the lessons learned more broadly over time to other regulations including building permits and development approvals.

Undertakings in relation to ongoing Tasmanian Government regulatory support for the whole sector could form part of the Tasmanian Government and Local Government Agreement within the proposed Charter for Local Government (see Recommendation 2).

### **Strengthening partnerships for better customer-facing services**

Integrating Tasmanian Government and local government customer-facing services provides opportunities to make life simpler for Tasmanians and unlock economies of scale.

During life's key events, information that people need is often distributed across layers of government, as well as non-government sources. Collaboration and service alignment around the individual, rather than government silos, means people can find support more easily and do not need to tell their story repeatedly. An example would be someone moving home, who requires information from both local government and multiple state entities.

To deliver these outcomes, both the Tasmanian Government and councils need to maintain common service delivery capability, such as face-to-face, phone and digital services. Sharing the costs of these capability not only helps optimise the customer experience but also helps make them more sustainable and comprehensive.

Our engagement revealed that Service Tasmania (ST) currently provides council services for six of Tasmania's 29 councils, meaning residents can enter any ST location to undertake a range of local government transactions. Council services provided include:

- rates payment/enquiry
- general invoice/statement payments
- council enquiries – general
- parking Infringement payment/enquiry
- dog registration – establish/renew
- dog health and kennel licencing
- pensioner parking permit
- pensioner rates remission application
- planning/building/ venue/miscellaneous item hire applications
- dog nuisance complaints
- general application receipt/payment
- event RSVP
- make council officer appointment
- receipt documents
- service delivery complaint

Three ST service centres are currently physically co-located alongside council staff in their premises (Beaconsfield, Oatlands, Currie). One council arrangement (Devonport City Council) is more developed, where ST now acts as the first point of contact for the majority of council customers physically visiting co-located premises. Many of these transactions can be resolved at this first point of contact. ST charges councils for services provided on a per transaction basis. Additionally, ST also provides services for the Australian Government, particularly Services Australia.



Co-location offers convenience for the public in accessing multiple government services, and in many instances furthers the ‘no wrong door’ principle where people need not know which layers of government they should be interacting with. It is often financially advantageous to share rent and other costs with a partner organisation. Staff from the various organisations can share knowledge and ideas, and in some instances share certain tasks and activities.

Based on experience with Devonport City Council, the approach of service integration offers the most comprehensive advantages of any current co-location model. Under this approach ST can utilise existing systems to process basic transactions on behalf of councils (under a negotiated financial agreement).

Where councils have service agreements in place with ST, residents benefit from being able to access local services at any of ST’s 27 service locations around the State, as well as by phone and online. Analysis has shown that a considerable number of these rate payers transact outside of their LGA, indicating people find the option of multiple payment points to be convenient.

The Government Contact Centre (GCC) currently handles a wide variety of service enquiries, and opportunities also exist for local government to leverage this capability. This could contribute to decreased community costs and smooth financial impacts across the State.

Integrating local government enquiries into a shared contact centre capability would provide access to efficient and effective operating practices, best in class technology and support, along with economies of scale. Councils often experience surges in demand such as around rates notice periods and emergencies, and so leveraging a more scalable capability can assist at these times.

**Recommendation 28:** The Tasmanian Government should work with the local government sector to pursue opportunities for strengthened partnerships between local government and Service Tasmania.

Opportunities should therefore be pursued wherever possible to co-locate ST and council face-to-face service and contact centres, effectively establishing ‘one stop’ government service hubs.

These partnership opportunities could logically be identified and piloted in councils participating in voluntary amalgamations.

### **Common systems for council digital business systems**

Councils broadly accept that moving to common digital business systems would have a range of benefits, and cloud-based digital systems are making these transitions easier. Benefits include:

- reduced capital costs for procurement;
- reduced cost of ongoing technical support;
- portability of staff skills, allowing for professional development opportunities;
- allowing closer collaboration between councils in sharing staff, services and other resources;
- opportunities for staff to work from regional locations, maintaining regional employment;
- simpler integration with Tasmanian Government systems, further broadening both customer service offerings and staff professional development opportunities; and
- reduced barriers to voluntary structural reform.

There is a wide range of systems currently in place in councils. Misalignment of digital systems is widely accepted as an obstacle to closer collaboration between councils.

There are examples of councils moving to common systems. For example, Devonport City Council is now using the TechnologyOne 'One Council' software, as are their neighbours in the combined administration of Kentish and Latrobe Councils.

Business continuity and financial and commercial risks would need to be carefully managed in the procurement process, but these are routinely managed in other sectors. DSS has procurement experience it should be able to share. There are a number of major providers of such systems, and the collective bargaining power of the sector should be able to be leveraged in any negotiations and re-negotiations of systems and service offerings.

In late 2023/early 2024, ST will launch a digital services portal, myServiceTas, providing Tasmanians with a secure and easy-to-use access point for government services, accessed through a single login. The portal will provide foundational tools that could potentially assist councils to enhance the range of services that can be offered online. Examples of these tools include e-forms, a central customer relationship management platform and a systems integration capability.

Stage 1 will allow Tasmanians to create a secure account to access their digital services and digitise many common transport transactions. Subject to further funding, future stages will grow the portal to support a wide range of services based on the foundations that are already established.

Benefits of councils leveraging myServiceTas would include:

- ability to leverage a central, robust model for complex, resource intensive and higher risk activities such as cyber security;
- potential to link into existing infrastructure where councils have already made investments in systems and tools;
- significantly reduced need to invest in other foundational requirements to hold and secure information such as digital identity through investing in a common platform and solutions; and

- reduced public confusion by offering a common entry point to state and local government services, allowing many services to be presented side-by side (e.g., care registration and rates notices).

**Recommendation 29:** Councils should migrate over time to common digital business systems and ICT infrastructure that meet their needs for digital business services, with support from the Department of Premier and Cabinet's Digital Strategy and Services (DSS).

All Tasmanian councils should collaborate on developing and implementing a strategy for migrating council business systems to a common, cloud-based system. DSS should support councils to design and procure and agreed set of services and appropriate operating and financial models. This would result in a vendor panel being established that streamlines adoption and manages security. The strategy and systems should be owned and implemented by the sector with governance and oversight provided by a technology roadmap and service relationships with cloud suppliers and DSS.

Migration to the common system would pragmatically occur over a significant period to allow existing contractual commitments and broader challenges to be resolved and to gain the returns expected from existing investments. While it is essential that the sector is supported and has a comprehensive opportunity to collaborate and agree on the service provider and other critical design elements, migration to the agreed platform should be a state-wide council requirement within a defined period of five to eight years.

The sector should determine the appropriate design, structure, and governance for such a system, which could be under the auspices of LGAT, another entity, or with one or more councils playing the leading service-provider role.

The scope of this strategy should cover both customer-facing and internal council business systems, including the following:

- integrated planning and performance reporting
- financial management
- property and rates management
- procurement and supplies management
- human resource management
- GIS spatial management
- records management
- customer management
- regulatory and compliance management
- strategic asset management
- asset management
- project management
- cyber security.

Council staff should be supported during the transition with dedicated training programs.

The design of the system must enable staff working for one council to easily use their knowledge and skill in the system to support other councils.

The system must also be designed to maximise opportunities for staff to work from regional locations in local communities, and to provide enhanced council service offerings to regional communities. Where necessary, this may require enhancements to digital coverage to ensure all necessary locations have the network access they need to use the systems.

As far as possible, the system should be integrated with Tasmanian Government business systems, particularly for customer-facing ST applications. Integrating council and State online digital services portals would provide Tasmanians with a secure and easy-to-use access point for (state and local) government services, accessed through a single login.



## **Community Outcome 3: Build and maintain future- ready community assets:**

**By setting clearer standards for the way councils manage assets and holding them to those standards.**

Reform recommendations under this Community Outcome focus on:

- delivering greater confidence that community assets are being managed to a high standard in a transparent, consistent, and equitable manner that reflects current and future community needs;
- understanding and continuously improving the overall maturity of asset management practices across the sector and minimising the risk of infrastructure renewal backlogs resulting from poor practices; and
- ensuring legislative requirements for strategic financial and asset management plans are fit for purpose and support good practice and compliance by councils.

Recommendations under this outcome complement and support the asset management shared services proposal. However, while a new asset management shared services entity would be well placed to support the implementation of reforms outlined below, we believe they should be progressed even where such an entity is not established.

## **Simplifying and streamlining statutory requirements for strategic financial and asset management planning**

Councils manage more than \$11 billion worth of vital infrastructure across the State. It is essential councils adopt and maintain sound strategic asset management practices. Effective long-term strategic asset management requires informed decision-making based on reliable data - that is subject to regular testing and review - about asset life, condition, depreciation, and replacement costs.

However, we know councils have varying capabilities when it comes to the maturity of their strategic asset management processes and practices, and a lack of high quality and consistent systems and data across the sector can make it difficult to get a clear and true picture of existing and emerging asset renewal backlogs.

Despite being introduced over eight years ago, the Review found there are many instances where councils are still not complying with their statutory requirements relating to key strategic financial and asset management planning documents.

For instance, only 21 per cent of councils were found to be complying with their statutory obligations to prepare a Long-Term Strategic Asset Management Plan (LTSAMP) and Long-Term Financial Management Plan (LTFMP) in accordance with the Local Government (Content of Plans and Strategies) Order 2014.

The Review has found that some councils have adopted their own approaches to meeting the statutory requirements for asset management plans that are not technically compliant despite templates and resources being made available to assist with these tasks. This results in a loss of consistency and comparability across the local government sector in Tasmania.

This is not simply a technical compliance or consistency issue. Collectively, this suite of documents is intended to provide critical information to assist councils make decisions about services from infrastructure that are needed, affordable, and financially sustainable. The plans should also play an important part in supporting performance oversight, monitoring, and management.

For example, a lack of compliance with the formal statutory requirements has limited the Review's capacity to undertake further and deeper analysis of the extent to which councils are aligning their LTSAMPs with their LTFMPs.

Having a current LTSAMP that is aligned and balanced with an LTFMP is crucial, because it will assist councils to improve financial sustainability and minimise any unexpected financial shocks. Integrating asset management and financial management activities can result in enhanced information for those in the stewardship role and can therefore lead to better decisions and improved community outcomes.

The Board believes the current situation with respect to strategic planning documentation could be a result of several factors, including uneven capability and capacity limitations in some councils regarding strategic asset management, and a lack of investment in the internal audit function supporting audit panels.

An absence of reliable, ongoing, and consistent compliance oversight on statutory plans has also potentially signalled to councils that maintaining this suite of documents is not considered a regulatory priority.

The Board has made recommendations elsewhere in the Report it believes will help address these aspects of the problem – specifically, recommendations relating to a resourcing and capability review of the Office of Local Government, and a bolstering of the internal audit function in councils.

Ultimately, however, councils should see inherent value in developing and maintaining strategic financial and asset management plans because they help them make sound decisions on behalf of their communities, rather than treating them as a compliance or 'box ticking' exercise. It may be, therefore, that there are opportunities to improve the current framework itself, including by simplifying and streamlining the overall suite of documents councils must prepare and maintain.

Given it has been almost 10 years since the current statutory requirements around strategic planning documents were first introduced, the Board believes the current situation merits a specific and targeted review to ensure they remain fit for purpose, serves the needs of councils needs and, therefore, incentivises active and consistent compliance.

However, it is also important to understand in more precise terms the level of variance across the sector in terms of asset management maturity and capability, so this can be used to as a 'benchmark' to target efforts to deliver improvements and monitor ongoing performance.

**Recommendation 30:** The Tasmanian Government – in consultation with the sector – should review the current legislative requirements on councils for strategic financial and asset management planning documentation to simplify and streamline the requirements and support more consistent and transparent compliance.



Councils should be supported to implement any changes emanating from the review as a priority, and ongoing compliance with the revised framework should be subject to close monitoring and transparent public reporting.

Informed by the findings of that review, all councils should implement a continuous improvement program for asset management maturity and capability so that they can demonstrate they achieve and can maintain a minimum 'core' level of maturity under that framework.

The proposed new asset management shared service entity (Recommendation 13) would support individual councils to adopt any changes to the framework by developing and delivering revised guidelines and templates for the preparation of key strategic planning documents.

Ongoing compliance should be routinely monitored by the Office of Local Government, and publicly reported via the interactive, online dashboard as part of the proposed new performance monitoring (see Recommendation 24 above).

### **Improving consistency and transparency of asset lives**

'Useful life' is the period over which an asset is expected to be available for use by a council. It is the estimated or expected time between placing the asset into service and removing it from service either by renewal/replacement or disposal.

The Review found evidence of significant variations across councils in the useful lives of assets in the major asset classes, and instances where councils had extended useful lives with no apparent supporting engineering or other evidence.

Anecdotally, we heard across the sector that many councils are arbitrarily extending the useful lives as a budget management tool, as it reduces the depreciation cost incurred. The Australian Local Government Association's 2021 'State of the Assets' report<sup>17</sup> found that Tasmanian councils have the lowest rate of depreciation.

Extending asset lives without justification reduces the capacity of councils to complete required asset renewal programs identified in their LTFMP and can result in lower service levels for the community.

In its Report the Board recommends certain asset management functions be centralised and established as a mandatory shared service (see Recommendation 13). This should include asset valuations, condition assessments and support for councils to develop whole-of-life costings for major assets and infrastructure. It would assess and cost assets according to a set of agreed, objective standards, independent of the influence of individual councils.

**Recommendation 31:** The Tasmanian Government – in consultation with the sector – should investigate the viability of, and seek to implement wherever possible, standardised useful asset life ranges for all major asset classes.

Standardised asset life ranges should be implemented and rolled out under the auspices of a centralised asset management entity (see Recommendation 13).

The new asset management entity could also review current lives and condition assessment practices for major asset classes across councils. The aim of this review would be to understand where councils have been extending useful lives without justification and 'reset' remaining useful lives in accordance with agreed standardised useful asset life ranges.

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<sup>17</sup> Australian Local Government Association 2021. 2021 National State of the Assets Report. ([https://alga.com.au/app/uploads/ALGA\\_NSotA\\_SummaryReport2021.pdf](https://alga.com.au/app/uploads/ALGA_NSotA_SummaryReport2021.pdf))

## Community Outcome 4: Ensure local government represents you and your community

By requiring councils to listen to the whole community when setting priorities and be more open and accountable for the decisions they make.

Reform recommendations under this Community Outcome focus on:

- increasing community engagement and participation in local decision-making generally;
- improving the capability of councils to reach, reflect, and represent the broad diversity of ideas, priorities, and perspectives of the people in their communities, particularly those who are not heard as often, such as younger people and Aboriginal Tasmanians;
- ensuring standing for election to councils is an attractive proposition for a broad range of community members who want to represent their communities; and
- improving the overall standard of elected member conduct across the sector and increasing community confidence that serious poor behaviour will not be tolerated.



## Strengthening councils' community engagement obligations and practices

During the Review we have identified an increasing acknowledgement, both in Australia and Internationally, of local government's key role in 'place shaping'. This is a trend which has seen councils move toward a more active role in developing and preserving local identity and promoting community wellbeing.

This is the case in Tasmania too. Research by the University of Tasmania<sup>18</sup> has identified that effective place shaping requires that councils support and contribute to community networks and are prepared to engage with or devolve decision making responsibilities to their residents.

Tasmanians have an increasing expectation that their councils will continually engage with them and will listen and respond to the issues and challenges they face. Establishing frameworks that enable and empower councils to do this will create better outcomes for the whole state.

Councils should plan and engage with their communities in a way which is genuine, informative, and representative. This does not mean that councils need to undertake long, deliberative engagement processes (such as citizen's juries) for every decision they make, but they should ensure people impacted by a decision are genuinely consulted about those impacts.

<sup>18</sup> Tasmanian Policy Exchange 2022. National and international trends in local government and their relevance to Tasmania. Background Research Paper No. 2 for the Future of Local Government Review. University of Tasmania.

As evidenced through our research, where deliberative community engagement is deployed at a local government level, outcomes for communities are better - council decisions reflect local values more closely and are more widely accepted and supported. Additionally, citizens who are given the opportunity to participate in deliberative engagement processes feel stronger connections to their communities, and with their representatives. This will also enhance the capability of our councillors, by elevating the importance of their role in decision making to a more strategic level – to genuinely consider and represent all relevant community voices.

While there are many positive examples of community engagement in local government in Tasmania, engagement planning and approaches are patchy in their application, and this is reflected in community dissatisfaction with how their councils go about engagement. This is reflected in our state-wide survey of Tasmanians, which found that councils rated poorly on how well their decisions represented the whole of the community.

### **Good practice and precedent - Council community engagement in NSW**

In New South Wales, councils are required to engage with their communities through a structured framework outlined in the *Local Government Act 1993*. The Act emphasises community engagement and participation as integral components of local governance. The key components of this are:

1. **Community strategic planning:** Councils are mandated to develop 10-year Community Strategic Plans (CSP) that outline the long-term vision, goals, and strategies for their LGA. The CSP is developed through extensive community engagement, ensuring that the priorities and aspirations of the community are integrated into the plan.
2. **Integrated planning and reporting framework:** The Integrated Planning and Reporting (IP&R) framework requires councils to develop a suite of plans, including the CSP, Delivery Program, Operational Plan, and Resourcing Strategy. These plans must align with each other and reflect community priorities and preferences.
3. **Public exhibition of documents:** Councils must publicly exhibit key strategic documents, including the draft CSP, Delivery Program, and Operational Plan. During the exhibition period, community members have the opportunity to provide feedback and suggestions.



4. **Community consultation:** Councils are required to consult with the community when developing, reviewing, or amending their strategic plans and policies. Consultation methods may include surveys, workshops, public meetings, and online platforms.
5. **Reporting to the community:** Councils are obligated to report back to the community on their progress in achieving the objectives and strategies outlined in the Community Strategic Plan. This reporting ensures transparency and accountability.
6. **Community advisory committees:** Some councils establish community advisory committees to provide input and advice on specific issues or areas, such as youth, sustainability, or heritage. These committees can include community members and stakeholders.
7. **Engagement in planning and development:** Councils must engage with the community in the planning and development process, particularly for significant projects or changes that affect the local area.

To support the overall quality and consistency of engagement approaches, the sector should be supported to develop overarching deliberative engagement guidance, and a best-practice toolkit that councils can draw on when developing, implementing, monitoring, and reporting their strategies.

Specific engagement methods should not be mandated – but deliberative engagement principles should be enshrined through the Local Government Charter (see Recommendation 2), coupled with more definitive guidance and support to enable and empower councils to deliver meaningful community engagement relevant to their communities.

Engagement plans should also outline how smaller communities within councils are more effectively represented. This could be through a range of mechanisms, including local community plans, leveraging improved technology to hold more face-to-face regional council meetings in different townships, and otherwise providing digital hubs that councils can utilise for more effective community engagement, connectivity, and service delivery. Individual councils should invest in capability to better understand local community needs and priorities (particularly as they relate to supporting wellbeing-related objectives). They should use a range of contemporary tools and methods to pro-actively engage as broad cross section of their communities as possible.

Councils should also invest specific and dedicated effort to increase engagement with sections of the community that do not feel current council engagement activities are relevant or appropriate. This includes better understanding the engagement preferences of young people and Aboriginal Tasmanians.

### Improving community engagement on major or novel service and infrastructure decisions

The service offerings and infrastructure holdings of many councils have expanded over time in response to local needs and challenges – sometimes in response to market failures, local demand, or political pressure. Councils also increasingly find themselves taking on the ongoing management of new infrastructure resulting from one-off election funding from the Tasmanian and Australian Governments.

If decisions are made without consideration of the medium to long-term financial impacts on council and the community, it can create sustainability challenges and a diversion of resources and funding away from core services and functions. Through our engagement, we heard calls for more formal, consistent mechanisms to allow councils to consider the impacts (financial, social, environmental) from decisions to take on new services or infrastructure and inform their communities about these impacts. The objective is to support councils to articulate to their communities the financial costs and impacts, as well as impacts on service delivery, clearly and transparently (including potential rate increases or service trade-offs). This, in turn, would help them to explain their decisions to deliver a new service or seek an alternative pathway to delivering that service – such as advocating for Tasmanian Government support.

The 2020 Local Government Legislation Review recommended establishing high-level financial management principles to provide a clear expectation for councils when developing their strategic plans and budgets that focus on transparency, accountability, and sound financial management. The Review observed that transparency and community engagement in the way council services are delivered and funded fosters and maintains community trust and goodwill and demonstrates that communities are receiving value for money in public spending.

Ensuring councils assess the community impact of all significant new services or infrastructure broadly supports this recommendation, as well as ensuring council decisions support the wellbeing of their communities and environments.

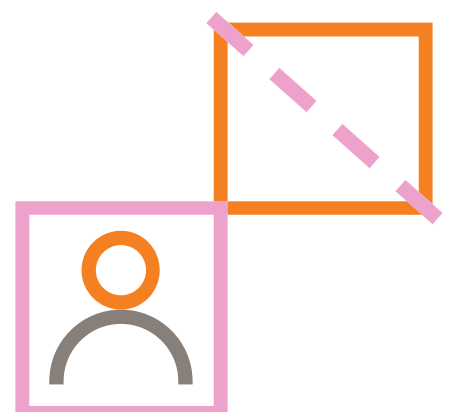
**Recommendation 33:** A new Local Government Act should require councils, when developing and adopting their community engagement strategies, to clearly set out how they will consult on, assess, and communicate the community impact of all significant new services or infrastructure.

The Office of Local Government and LGAT should jointly develop a common, best practice framework and toolkit councils can use when developing and applying their community impact assessment processes to support overall quality and consistency between councils.

As part of this, there would be a clear threshold for what constitutes a significant new service or infrastructure asset, to ensure the process is well-targeted, practical, and fit for purpose.

The application of community impact assessment processes and practices should be the subject of regular review by audit panels as part of ordinary council compliance monitoring activities.

As part of the community impact assessment process, councils should also be required to consult with, identify, and report to their communities – via their annual report – the ongoing costs of any major infrastructure or service arising from one-off state or national grant funding or functions and services outside the core roles and responsibilities of councils.





### Good practice and precedent - Community impact assessments

Through our research, we identified several examples of councils undertaking community impact assessments for major infrastructure projects or delivery of services.

- City of Toronto, Ontario, Canada: Toronto has implemented community impact assessments for major infrastructure projects, urban development initiatives, and transit expansions. These assessments involve engaging with residents and stakeholders to understand their concerns, gather feedback, and consider local needs and preferences.
- City of Manchester, UK: Manchester has employed community impact assessments to evaluate the effects of new service delivery and infrastructure projects on local communities. They use the assessments to identify any potential negative impacts and to develop strategies to mitigate adverse consequences.
- City of Copenhagen, Denmark: Copenhagen has integrated community impact assessments into their urban planning processes. They use these assessments to understand how proposed changes in infrastructure and services may affect different neighbourhoods and demographic groups within the city.
- City of Wellington, New Zealand: Wellington has adopted community impact assessments as part of their approach to sustainable development. The assessments help to evaluate the financial, social, and environmental costs of new projects and to identify opportunities for community engagement and co-design.

### Ensuring fair and appropriate councillor remuneration

The Board's engagement throughout the Review has heard widespread agreement that current councillor allowances:

- do not support or encourage a diverse range of individuals to run for council;
- do not reflect the level of effort realistically required from councillors, given the increasing complexity of their role, community expectations, and statutory responsibilities; and
- may mean councils fail to attract and retain talented councillors and may limit the time and effort some councillors can devote to their role.

Most councils we spoke to told us there need to be reforms to improve and support the diversity, capability, and capacity of elected representatives. Improving the remuneration of elected representatives is regarded as an important first step – and has been the impetus for recent reviews of the allowances of elected representatives in Victoria and New South Wales.

Evidence also shows low remuneration for councillors is a problem across the sector nationally. A 2021 study by the Australian National University<sup>19</sup> found NSW councillors were being paid less than the minimum wage compared to the hours of work their role entails. The same study also found 81 per cent of councillors found their role dissatisfying due to low remuneration.

The 2020 Local Government Legislation Review recommended the Local Government Board be required to regularly review councillor numbers and allowances.

Having consistent reviews of councillor numbers and allowances should ensure the level of representation and remuneration of elected representatives accurately reflects the responsibilities and time commitments associated with the role while maintaining transparency and accountability to the community.

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<sup>19</sup> Local Government NSW 2022. Submission to the Local Government Remuneration Tribunal. February 2022. ([www.lgnsw.org.au/common/Uploaded%20files/Submissions/2022/Submission-to-the-Local-Government-Remuneration-Tribunal\\_Feb2022.pdf](http://www.lgnsw.org.au/common/Uploaded%20files/Submissions/2022/Submission-to-the-Local-Government-Remuneration-Tribunal_Feb2022.pdf))

Consideration should be given to how many elected representatives are needed to effectively serve the needs of a particular community, and the merits of having, for example, fewer councillors who are remunerated at a higher level versus a greater number of councillors on relatively lower allowances.

**Recommendation 34:** Following the phase 1 voluntary amalgamation program, the Tasmanian Government should commission an independent review into councillor numbers and allowances.

The review should establish a new set of allowance categories for councillors, mayors and deputy mayors, underpinned by a clear and equitable methodology that considers variations in:

- geographic size, population, and population density of the local government area;
- the number of councillors elected to the council (as also decided by this review);
- nature of services delivered by council;
- value of assets under council management, staffing levels, and the council's operational budget;
- growth and development projections in the local government area;
- differences in the respective roles, functions, and responsibilities of mayors, deputy mayors and councillors; and
- capacity of local government to attract and retain potential future candidates from a diverse cross-section of the community.

In setting new allowance categories, the review should also aim to reduce the existing seven allowance categories – resolving the consequent disparities between council allowances – particularly where any new or existing councils are of comparable size and delivering similar services and functions.

Consideration should also be given to whether councillors involved in voluntary amalgamation processes should receive an additional allowance that recognises the complexities in managing a council through a significant transitional period.

#### **Good practice and precedent - Councillor remuneration for amalgamating councils**

Each Australian jurisdiction undertakes regular reviews to ensure councillor allowances reflect factors such as the scope of responsibilities and workloads.

In 2013, following a series of council amalgamations in Queensland which started in 2008, a review of councillor allowances was conducted to establish fair compensation for the larger council areas that resulted from the amalgamations.

During the Queensland amalgamations, elected councillors on merged councils were provided with transition allowances to ease the financial impact of the changes. These allowances were aimed at recognising the adjustments required due to the new council structures and altered representation areas.

#### **Improving standards of councillor conduct and performance**

Poor behaviour by some elected members can seriously undermine community confidence in the integrity, professionalism, and competence of both individual councils and the sector overall. Incidences of misconduct or inappropriate behaviour, while infrequent, need to be met with appropriate, proportionate, and timely responses when they do occur.

Unfortunately, there have been several high-profile instances in recent times that have attracted significant public attention, and have highlighted the importance of having a strong, diverse, and effective system of tools – including sanctions – available to regulators when responding.

The Board has heard throughout the Review that the local government sector and the community are currently frustrated by the limited sanctions and accountability for genuine and serious misconduct by elected representatives.

The Code of Conduct framework for elected members has also been a vexed topic in the sector and the community in recent times. There have been persistent challenges in striking a balance between a system that preserves and protects robust political debate while at the same time maintaining a standard of behaviour the community rightfully expects our elected officials to uphold. Claims of the framework being ‘weaponised’ by both councillors and community members have led to calls for the system to be redesigned or even abolished entirely.

The Board shares the Tasmanian Government’s view<sup>20</sup> that there are presently insufficient direct mechanisms to address instances where the misconduct of a councillor is of such gravity that it may seriously undermine public confidence in local government.

In combination with enhanced councillor training and professional development (see Recommendation 16), the Board considers some strengthening of sanctions is necessary to ensure communities are well represented, and to protect other councillors and council employees.

The 2020 Local Government Legislation Review recommended the Minister should be given the power to dismiss a council or individual councillor on the recommendation of the Director of Local Government. The Board understands the intent of this proposal but considers its design and implementation would need to be done with extreme care, given it involves the removal of democratically elected officials.

**Recommendation 35:** The Tasmanian Government should expedite reforms already agreed and/or in train in respect of statutory sanctions available to deal with councillor misconduct or poor performance.

The Board is aware the Tasmanian Government has been considering expanded powers—with appropriate safeguards, procedural fairness, and independence from the Minister for Local Government—to dismiss or suspend a councillor in response to individual misconduct.

It is anticipated the Director of Local Government will be empowered to seek dismissal or extended suspension of a councillor under the Model Code of Conduct by application to the Code of Conduct Panel or to the Tasmanian Civil and Administrative Tribunal (TASCAT). This approach is considered broadly appropriate.

The Government consulted on options in March 2023, and we understand it is planning to introduce legislation in 2024.

In September 2023 Parliament also passed legislation that makes several important improvements to the Code of Conduct framework. The main changes arising from this legislation are a standard code of conduct for councils, a mandatory local dispute resolution policy in councils, an improved process for the initial assessment of complaints, and the disclosure and management of interests by the members of the Code of Conduct Panel.

The Tasmanian Government has also begun a feasibility study into transferring administrative responsibility for the Code of Conduct Panel to TASCAT, which – at face value – the Board believes has significant merit. Implementation of changes to the Code of Conduct framework should be monitored and reviewed for effectiveness within two years of coming into effect.

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20 Office of Local Government 2023. Addressing councillor misconduct. Discussion Paper. ([https://www.dpac.tas.gov.au/\\_data/assets/pdf\\_file/0021/285204/Discussion-paper-Addressing-councillor-misconduct.pdf](https://www.dpac.tas.gov.au/_data/assets/pdf_file/0021/285204/Discussion-paper-Addressing-councillor-misconduct.pdf))

## Community Outcome 5: Enhance local job opportunities in councils

By developing a local government workforce strategy that provides training and jobs to local people.

Reform recommendations under this Community Outcome focus on:

- supporting the sector to better plan for and respond to current and projected future workforce skills gaps and shortages, particularly in areas of acute need.
- improving the sector's ability as an employer generally to recruit and retain skilled staff to deliver services locally and support healthy and sustainable regions.
- further strengthening the role councils in supporting resilient local communities by enhancing their capacity and capability of their workforce to plan for and respond to emergency events.

## Addressing local government workforce challenges

Workforce development is an essential task in the management of any organisation, helping ensure the organisation has the capability and capacity to carry out all its functions in a sustainable way.

Workforce development is particularly important for local councils in Tasmania, given the workforce challenges identified in this Review. The Board has identified concerning capability gaps, driven in part by workforce and skills shortages, that were manifesting in sub-standard delivery of important regulatory functions.

For example, in 2018, 69 per cent of councils were experiencing a skills shortage and 50 per cent were experiencing skills gaps. In 2022 this had deteriorated, with 86 per cent of Tasmanian councils experiencing a skills shortage. Engineers, town planners, environmental health officers, and building surveyors were in the top five areas of shortages<sup>21</sup>.

The need for strategic sector-wide workforce development in Tasmania has been previously identified and acted upon. In 2016, LGAT and a number of councils collaborated with the University of Technology Sydney's, Centre for Local Government to develop [Workforce Planning Guidelines for Local Government in Tasmania](#).

These guidelines have been used by some individual councils but there has rarely been collaboration in workforce development at the regional or statewide scale. A notable exception is [A workforce development strategic plan for Environmental Health Officers](#) prepared by LGAT in collaboration with the University of Tasmania. The LGAT submission to Stage 3 of the Review has noted that councils' other requirements have meant they have been challenged giving appropriate resources to workforce planning.

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21 SGS Economics & Planning 2022. 2022 Local Government Workforce Skills and Capability Survey. Tasmania Report. (<https://alga.com.au/app/uploads/LG-Workforce-Skills-and-Capability-Survey-TAS-Report.pdf>)

During Stage 2 the Board sought feedback on two options related to workforce development:

- implementing a shared Tasmanian Government and local government workforce development strategy; and
- targeting key skills shortages, such as planners, in a sector-wide or shared state/local government workforce plan.

There was broad support for these options, on the basis that shared Tasmanian Government and local government workforce development would help build the skills in both workforces and would support cost sharing for training and development. Some councils thought the options did not take account of workforce shortages across the national economy and would not resolve the issue of councils and the Tasmanian Government competing with the private sector for workers.

The Board acknowledges the local government sector and the Tasmanian Government have distinct workforce priorities and needs, despite some areas of overlap. Given this, the Board recommends an approach to local government workforce development that is based on the Tasmanian Government's system but is tailored to the sector. This will allow the local government sector to form partnerships and linkages with the Tasmanian Government – as well as with the community and private sectors – where it makes sense and there are clear benefits to doing so.

This preserves the independence of councils and recognises the differences between Tasmanian Government and local government roles, while allowing for alignment where there is mutual benefit: e.g., common recruitment campaigns, shared training opportunities, shared job descriptions, career progression opportunities in both local and Tasmanian Government, and professional development opportunities through placements.

While there are many workforce development tools available, these are not being used by councils in a consistent way. The task of workforce development can fall to the bottom of the priority list of a council executive occupied by shorter term workforce priorities such as recruitment. There is always a risk that producing a workforce plan becomes an end in itself, rather than a means for guiding workforce development actions. The Board believes that giving LGAT the responsibility of developing these tools and driving council workforce development at the regional level should lead to more consistent and effective implementation. While the Board believes the Tasmanian Government should provide funding support for LGAT to establish this process initially, workforce development is ultimately the responsibility of councils and should be funded by them in the longer term, potentially by using LGAT as a centralised resource for all councils.

Councils are best placed to identify the skills, knowledge and expertise they need, and the priority they need to give that, so the Board is not recommending a prescriptive approach to workforce development by councils, only that councils have workforce plans that they are implementing. A well-managed and capable council, led by the general manager, should be giving workforce development due priority as part of its organisational planning and risk management arrangements.

The sector informed the Board of four key areas of identified workforce need: environmental health officers, planners, engineers and building inspectors. These are issues state-wide and, indeed, nation-wide, but are particularly acute in regional councils. They are likely to continue as areas of need in regional areas, even if these services are being provided by larger more capable entities in that region (whether councils and shared service bodies).



Similar skills are also required by the Tasmanian Government, and it faces similar challenges, such as competition for staff with the private sector. It would be helpful if a state-wide approach were developed in consultation with the relevant state agencies.

The Board sees merit in providing a degree of transparency and accountability for workforce 'health' through the performance reporting system. The Consolidated Data Collection currently reports data from each council on numbers of positions, occupational category, gender, rate of recruitment, hours worked and staff turnover rate. The review of data collection should assess whether these are the most suitable indicators of workforce 'health' for the future.

**Recommendation 35:** The Tasmanian Government should:

- support the Local Government Association of Tasmania (LGAT) to develop and implement – in consultation with councils and their staff – a workforce development toolkit tailored to the sector and aligned with the Tasmanian Government's workforce development system;
- support councils to update their workforce plans at the time of any consolidation;
- support LGAT to lead the development and implementation of state-wide approach to workforce development for key technical staff, beginning with environmental health officers, planners, engineers and building inspectors;
- recognise in statute that workforce development is an ongoing responsibility of council general managers – and that it be included as part of the new Strategic Planning and Reporting Framework; and
- include simple indicators of each council's workforce profile in the proposed council performance dashboard.

LGAT should be funded to work with the State Service Management Office to adapt the Tasmanian State Service workforce development toolkit (currently in development with a draft expected in early 2024) for use by the local government sector.

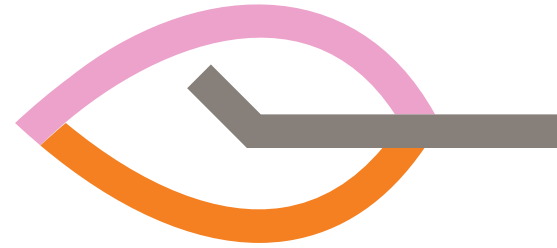
LGAT should adapt the toolkit in consultation with councils, unions, and workers, and be supported to assist groups of councils working at the regional level to apply the toolkit to develop their own workforce plans.

The local government workforce development toolkit would be completed before the commencement of any voluntary amalgamation negotiations between councils, so that the toolkit can be used in the creation of new council structures.

Under this approach, it would be used by consolidating councils to:

1. review the profile of the current workforce
2. assess current workforce capability and capacity against the new council's responsibilities
3. identify strategies and actions to address any workforce gaps

These workforce strategies and actions would then be implemented as part of the creation of a new council. The new council may be able to draw upon any Tasmanian or Australian Government funds provided for that purpose. Workforce development should also take advantage of the common digital business systems proposed as a shared service under Recommendation 28. Common business systems will enable the easy sharing of staff between councils. Rather than leading to centralisation of jobs, the opposite would be enabled. A skilled council officer in any part of Tasmania with good internet access would be able to carry out work for any other council elsewhere in the state.



### **Good practice and precedent - UK Local Government Association workforce planning support**

The UK Local Government Association (LGA) supports UK authorities with strategic workforce planning. As well as providing guides and tools to all member councils, they provide intensive capacity building support, including:

- interactive workforce planning workshops for senior leaders and managers;
- bite-sized workforce planning sessions designed to fit busy diaries;
- reviews of talent management and workforce strategies and plans;
- support with developing career pathways;
- people analytics;
- a support network for workforce planning professionals, using digital platforms to work through common issues;
- facilitation for smaller councils to collaborate across county areas; and
- service-based support on specific workforce challenges.

The workforce planning support program receives excellent feedback from councils. The Chief Executive of Torbay Council commented: “[The LGA’s] support, challenge, knowledge and sharing of best practice from elsewhere has been fundamental in getting the council’s senior leaders and managers to really think about what workforce planning is, and how the activity can help the Council move forward and plan effectively for the future.”

While this approach should be state-wide, it should include regional scale assessments to ensure that their actions and strategies are relevant to each region’s particular needs. It should explore a range of strategies for meeting the councils’ business needs, including:

- creating graded jobs with different duties based on the business need – for example, greater use of planning assistants and other para-professional positions; an
- creating training and recruitment opportunities for locally based staff who wish to continue living and working in regional areas.

A new Local Government Act should make clear that workforce development is a responsibility of each council’s general manager. However, councils should be encouraged to collaborate with each other on a the regional and state scale, and with the State Service on a state scale, where that is beneficial. In the longer term, councils should be responsible for workforce development as a component of their four-year Strategic Reporting suite, and for resourcing LGAT to carry out any coordination and support needed, rather than relying on Tasmanian Government support.

Indicators of the workforce profile and its ‘health’ should be incorporated into the council performance dashboard. Indicators should be chosen based on being ‘fit for purpose’ to guide council’s management actions and provide transparency to workers and the community. These indicators should be developed in consultation with councils, noting there are already a number of workforce statistics reported in the Consolidated Data Collection which may be suitable.

## Improving councils' emergency response and climate change capability

Climate change is a global issue and the greatest challenge facing humanity, but its impacts are felt by communities at the local level. When talking to Tasmanians about what they saw as the biggest concern or the future of their local area, climate change was the most common response. Furthermore, climate change was the biggest concern for the future identified by almost 500 younger Tasmanians surveyed for the Future of Local Government Review.

There is recognition that effective climate action requires concerted and coordinated effort from all levels of government, business, and society, from international agreements to grassroots community action. Strong, capable, and adaptive councils are required to tackle climate change proactively at a community level, highlighting the need to build capability and coordination across councils. The Review has identified at least four specific ways in which local government can help communities respond to climate change.

### 1. Mitigation and emissions reduction

All organisations and individuals have a role to play in emissions reduction and local government has a particular opportunity to contribute to this effort through innovative waste management by planning more compact and liveable cities and settlements to reduce transport emissions.

### 2. Engagement and advocacy

As the closest level of government to the community, councils are uniquely positioned to help citizens navigate the challenges of climate change at the local level.

### 3. Adaptation

Local government's most important role is in ensuring communities are prepared to the greatest extent possible for the consequences and opportunities arising from unavoidable climate change. This includes upgrading infrastructure to cope with extreme weather events, building community resilience and emergency response and disaster recovery capacity at a local level. It is widely recognised that adaptation planning is best undertaken with communities at a local level although in many cases the resources are provided by the Tasmanian and Australian Governments.

### 4. Coordination and collaboration

To ensure we are well placed to meet the challenge, councils need to coordinate with state and national governments to align with and contribute to broader regional and national agendas and endeavours. Tasmania's recently amended [\*Climate Change \(State Action\) Amendment Act 2022\*](#) includes a commitment to produce a climate change action plan, and emissions reduction and resilience plans. The State and local governments will need to work collaboratively to ensure plans recognise specific community needs and support action to address these at a local level.

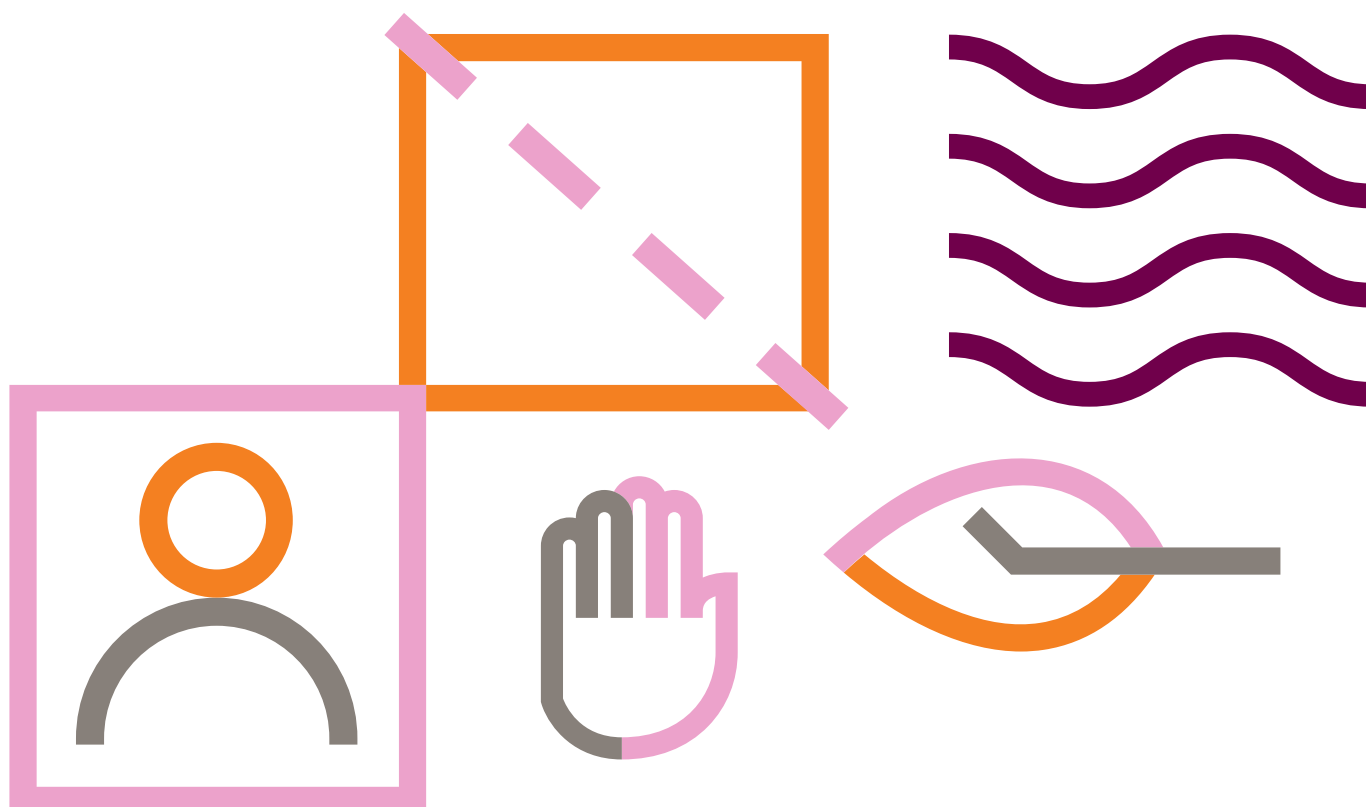
**Recommendation 37:** The Tasmanian Government should partner with, and better support councils to build capacity and capability to plan for and respond to emergency events and climate change impacts.

This should include supporting councils to provide opportunities for their staff to access quality emergency management training.

The Tasmanian Government should provide up-to-date climate data that can support councils to identify and manage local risks and hazards and opportunities to improve climate resilience.

The Tasmanian Government should consult with the sector to identify councils with poor disaster response capability and support these councils to resource emergency management and recovery roles as a priority.

Councils should be required to work with other councils in their region to develop and align disaster response and prevention strategies.







## 5. Reform Roadmap – The Way Forward

The Board's reform package will require careful planning and dedicated resourcing if it is to be successfully implemented. In this chapter we chart an indicative reform roadmap for the governance, resourcing, and timing, of reform implementation.

### **Project governance and resourcing**

Implementation will require the management and coordination of three main work streams:

#### **1. Technical support and analysis for voluntary amalgamation proposals, and review, analysis, and potential development of mandatory shared services proposals**

The Board recommends this stream is overseen by a single Local Government Board with appropriate operational and change management expertise (see chapter 3). The Board would be supported by a small secretariat and technical advisory committees for each of the proposed amalgamations. A technical advisory panel may also be needed to support the Board undertake shared services assessments.



## 2. Development of a transition and community support package to underpin and complement amalgamation proposals

The Board recommends this stream is led by the Tasmanian Government (via the Office of Local Government) under a partnerships program, supported by a Community Working Group comprising councils, relevant State agencies, and community leaders (see Chapter 4).

## 3. Further development and implementation of all Specific Reforms, including the drafting and delivery of a new Local Government Act

The Board recommends this stream be managed by the Office of Local Government in close consultation with the sector, via LGAT.

Proposed high-level governance arrangements for the three key streams are summarised in Figure 5.

Each of the above workstreams will require dedicated additional resourcing for successful implementation. Implementation may be most effectively and efficiently supported by a new or significantly augmented project management and reform delivery capability within the Office of Local Government.

This resource would:

- act as secretariat to the new Local Government Board and any supporting technical committees/panels;
- coordinate and support the work program of the Community Working Group (CWG); and
- supplement and support existing policy and project capability in the Office of Local Government to deliver the new Act and work with the sector to implement both statutory and non-statutory reforms.

Separate to the management of reform implementation, additional funding will be needed for any agreed transitional support and/or community infrastructure and service improvement investments proposed by the CWG to complement voluntary amalgamation proposals.

Funding requirements will be contingent on the nature and scope of initiatives developed by the CWG, which would need to be supported by the Government. However, the Board considers it reasonable for the Tasmanian Government to expect substantial funding support being required to support implementation of each successful amalgamation proposal.

### Timeframes

Should the Government agree to our proposed recommendations, we anticipate successful implementation of both the Phase 1 voluntary amalgamation process, shared services, and all supporting specific reforms would need to occur over approximately a two-year period (from the delivery of our Final Report).

Any subsequent voluntary amalgamation phases would be considered at the conclusion of Phase 1.

We expect formal implementation, including establishing a new Board and the CWG, would be unlikely to begin until the second quarter of 2024, taking into account:

- the statutory obligations on the Minister to consult with the sector under the Act; and
- the need for the Tasmanian Government to take advice and formulate its policy position in response to the recommendations.

Preliminary preparatory work – e.g., project scoping and staff recruitment – could begin in parallel with the above processes to ensure formal implementation begins as soon as possible.

A high-level, indicative timeline for the delivery of the Board's reform program is outlined in Figure 7. Note the program necessarily assumes the Government supports and agrees to implement the key elements of the Board's recommended reform package.

Figure 6: High level governance arrangements for implementing the Future of Local Government reforms.

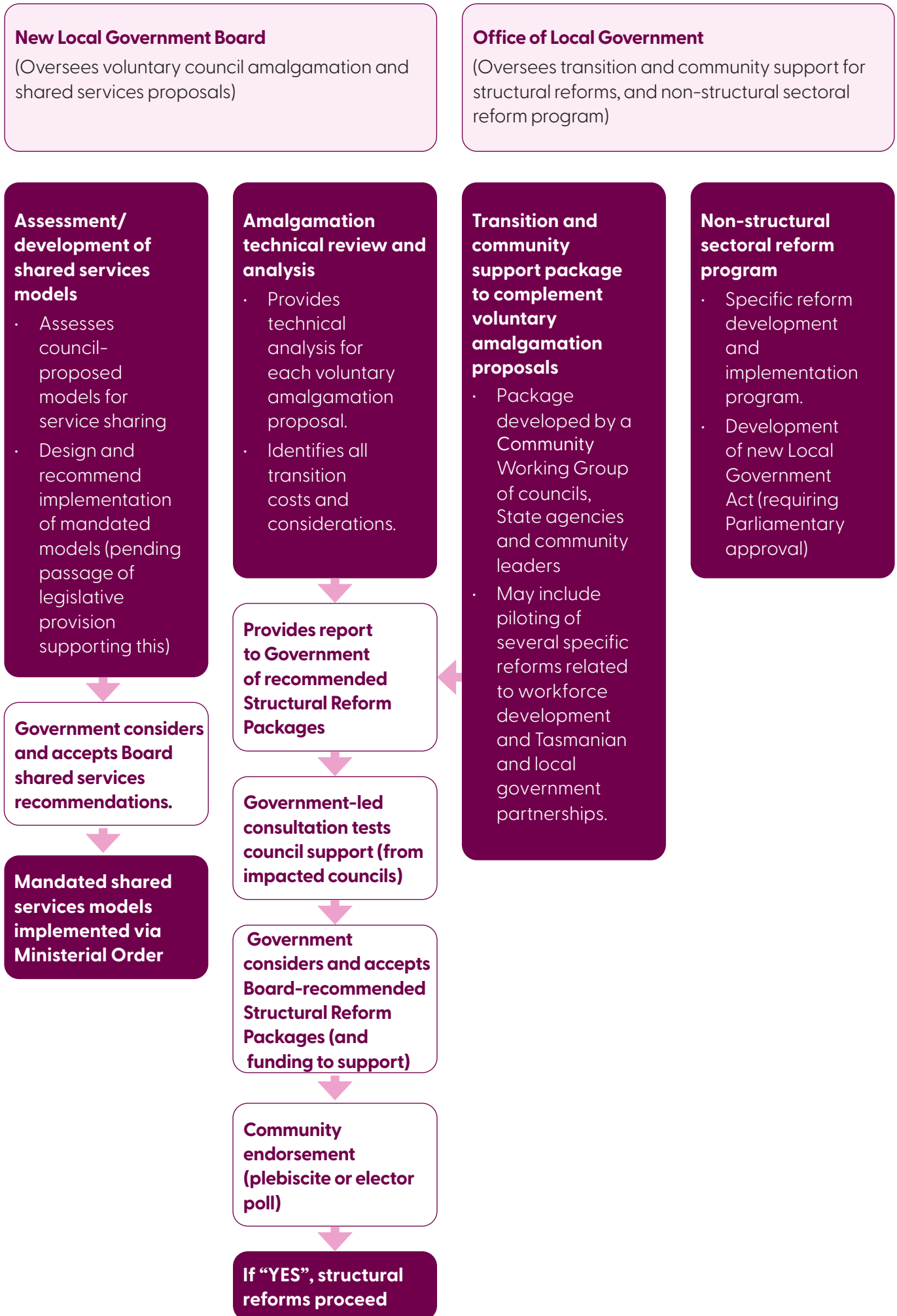
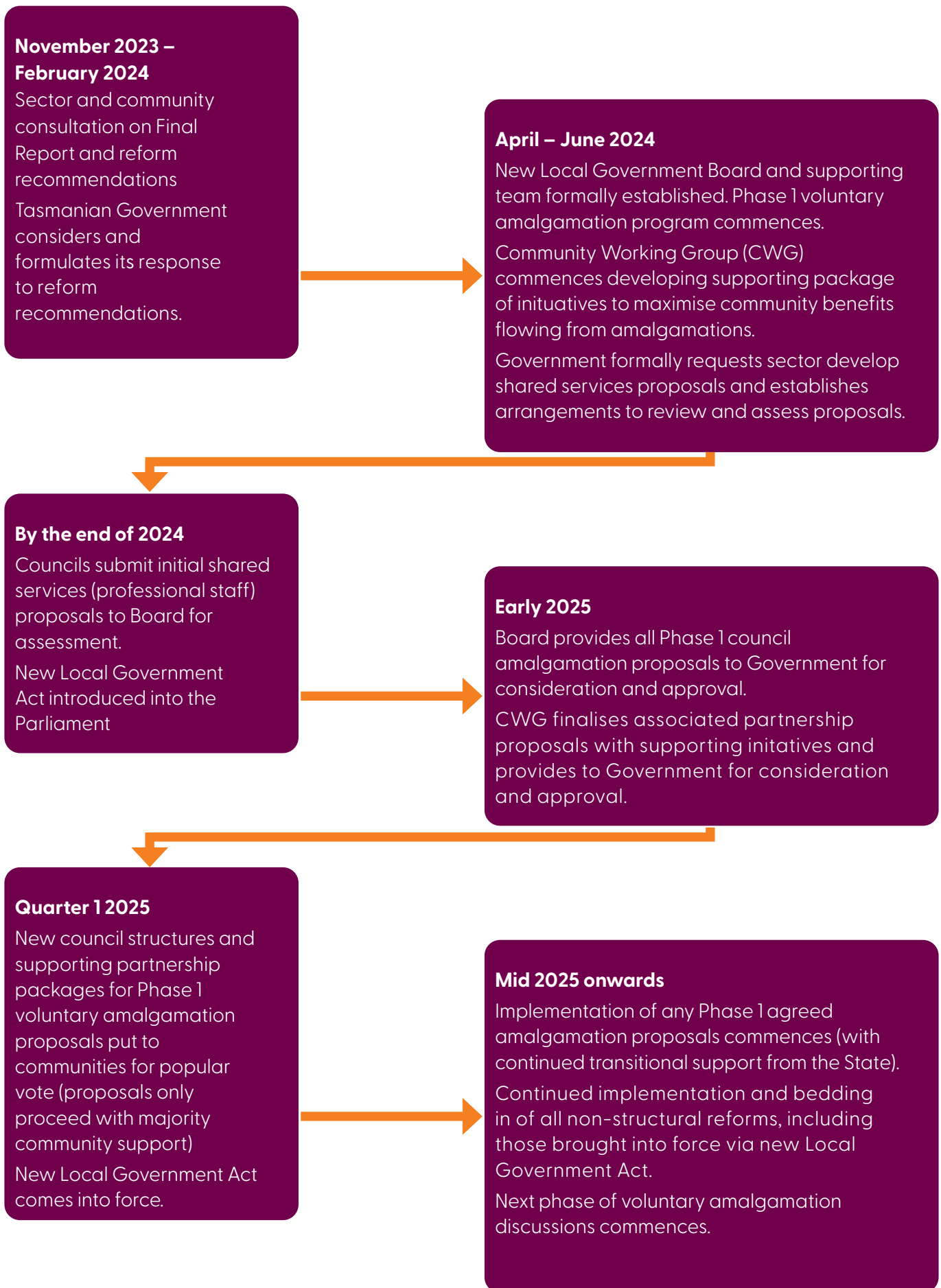


Figure 7: Indicative timeline for implementing the Future of Local Government reforms.







## 6. Next Steps – Procedural Matters

The submission of the Board’s Final Report to the Minister ends the substantive Review process under the Act.

However, the Act sets out certain procedural requirements that follow the provision of a report to the Minister. These include that:

- the Minister must, on receipt of the Report, forward a copy to impacted councils and invite submissions within a specified period but councils are required to keep all matters contained in the Report confidential until it is published;
- the Minister must publish the report and recommendations of the Board; and
- after considering any submissions, the Minister may accept any or all of the Board’s recommendations; request the Board to reconsider any or all of its recommendations; refer to the Board any alterations to its report requested by a council; or reject any or all of the Board’s recommendations.

The Report and our recommendations are now matters for the Minister to consider. Given the public nature of this Report we recommend that the Report be published at the same time it is provided to councils.









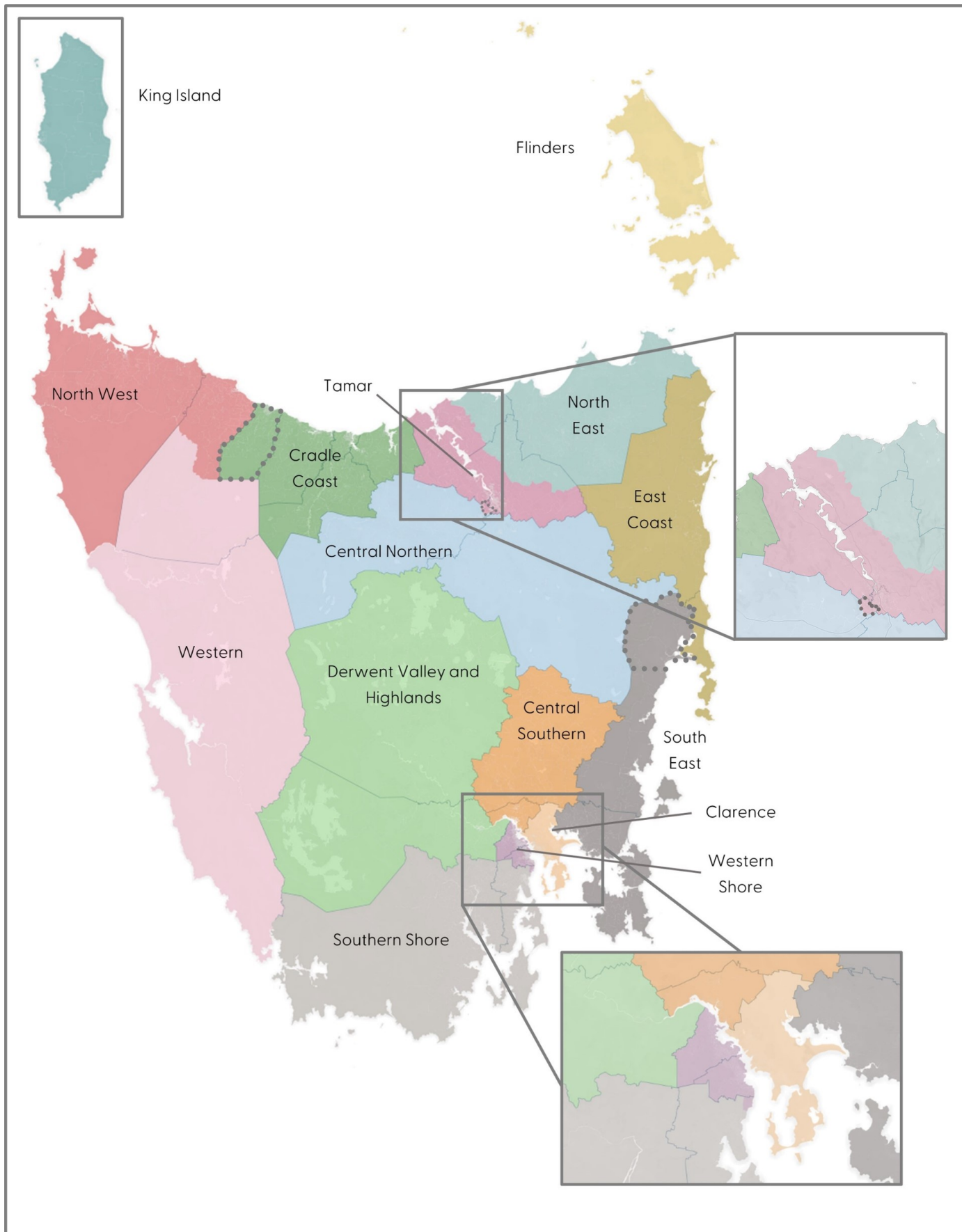
## Appendix 1: New council profiles for future structural design for local government

This Appendix has been prepared by the Local Government Board with the assistance of the Tasmanian Policy Exchange at the University of Tasmania and the Department of State Growth. It draws on ABS Census, council, and the Office of the Valuer General data.

All calculation methods and definitions used in this Appendix are outlined in Information Pack – Supporting Paper. Methods and Technical Background. There are limitations involved with this analysis, and it is acknowledged that the modelled revenues underestimate actual council revenues in some instances.

Any decision to proceed with creating a new council structure should be preceded by further detailed analysis using the most current data available from councils and other sources.

Figure 8: Future structural design for local government showing 'grey areas' (dotted lines) and current LGA boundaries (solid grey lines).





# King Island



## Description

This council serves the communities of King Island off the far north-west coast of Tasmania, and is not subject to any proposed consolidation in this report.

## Criterion 1: Place and Representation

King Island is a remote region with specific strengths, challenges and needs, as well as a distinctly independent culture and sense of place. Given that it represents a cohesive and highly self-contained community of interest, the Board has deemed it appropriate that King Island retain its own separate local representation. It is nevertheless likely that, as a very small and isolated municipality, King Island Council will continue to require considerable support via participation in shared services, regional partnerships (with the proposed Cradle Coast council to its south), and equalisation to compensate for diseconomies of scale.

### Key evidence:

- Population: 1,615
- Median Age: 45.2
- Population living at different address 5 years ago: 30.8%
- SEIFA decile: 6

## Criterion 2: Future Needs and Priorities

While King Islanders are, on average, more advantaged than most of the rest of Tasmania, they are also considerably older. With a median age of 45.2, King Island is among the older communities in the state. In terms of workforce, King Island is one of only two councils proposed in this report whose workforce has shrunk (by around 1.5%) over the past ten years. As the population continues to age, and as younger working-aged people continue to depart King Island in search of education and employment opportunities elsewhere, this council is likely to face challenges in the provision of aged care and community services.

**Key evidence:**

- Population change 2011-21: 45
- Dwelling vacancy rate: 19.9%
- Population under age 15: 17.5%
- Population over age 65: 25.8%
- 10-year change in median age: 0.7 years

**Criterion 3: Financial Sustainability**

The Tasmanian Councils Data Dashboard shows that the existing King Island Council performs below the state average on almost all key financial and asset sustainability indicators. As the capability and financial capacity of almost other councils in Tasmania would increase under the consolidation scenarios proposed here, King Island's need to rely on reformed shared service arrangements and regional partnerships would be heightened.

**Key evidence:**

- Estimated total value of rateable land: \$1,018,837,000
- Estimated rate revenue: \$2,225,000
- Length of sealed roads managed by council: 63.7km
- Length of unsealed roads managed by council: 345.4km

**Criterion 4: Operational Capability**

Remote and isolated LGAs like King Island already struggle to access qualified technical staff and expertise, which will remain the case without consolidation. King Island will therefore rely heavily on procurement via shared services arrangements, most likely from the larger and therefore more capable proposed Cradle Coast Council.

**Key evidence:**

- 92.5% of residents would be within a 30-minute drive of the service hub at Currie.
- 0% of the population would be in urban areas of 10,000 or greater.

**Key issues for consultation and technical analysis**

King Island Council does not support amalgamation with any other council.

The ongoing sustainability of King Island Council will be contingent on expanded shared services and regional partnership arrangements. Reforms to the current systems of equalisation and grant distribution could see King Island attract a greater quantum of Commonwealth Financial Assistance Grant Funding than it currently does, but any such changes will require further independent technical analysis and review.

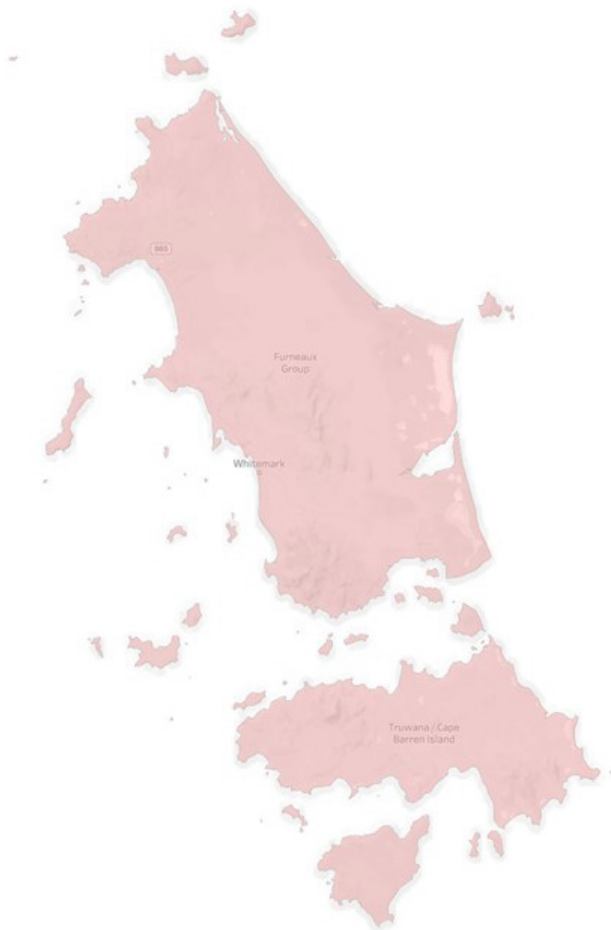
## Full data table

| Criteria                               | Indicator  | Measure  | King Island     |
|--|--|--|-----------------|
| Overview                               | Demographic  | Population   | 1,615           |
|  |  | Median age   | 45.2            |
|  | Income and Employment                                    | SEFIA IRSAD Score  | 955.0           |
|  |  | SEIFA IRSAD Decile   | 6               |
|  | Housing  | Total dwellings  | 888             |
|  |  | No. of single person households                                | 229             |
| % dwellings unoccupied on Census night |  | 19.9   |                 |
| Place and Representation               | Established administrative, commercial and service hub/s | % of population within 30 mins of administrative hub           | 92.5            |
|  |  | % of population within 60 mins of administrative hub           | 100.0           |
|  |  | % of population within 60 plus mins of administrative hub      | 0.0             |
|  | Urbanisation   | % of population in urban areas of population 10,000 or greater | 0.0             |
|  | Mobility/ Migration                                      | % of population living at a different address 5 years ago      | 30.8            |
| Future Needs and Priorities            | Population growth  | Ten-year population change (2011-21)                           | 45              |
|  | Housing supply and infrastructure demand                 | Ten-year change in total dwelling numbers (2011-21)            | 10              |
|  | Employment growth  | Ten-year per cent change in resident labour force (2011-2021)  | -1.5            |
|  | Older/aging communities                                  | Ten-year change in median age                                  | 0.7             |
|  |  | % Population over 65   | 25.8            |
| Younger communities                    | % Population under 15                                    | 17.5   |                 |
| Financial Sustainability               | Value of rateable land                                   | Value of rateable land - residential                           | \$228,630,000   |
|  |  | Value of rateable land - primary production                    | \$656,281,000   |
|  |  | Value of rateable land - industrial                            | \$16,666,000    |
|  |  | Value of rateable land - commercial                            | \$47,514,000    |
|  |  | Value of rateable land - vacant                                | \$37,001,000    |
|  |  | Value of rateable land - other                                 | \$32,745,000    |
|  |  | Value of rateable land - Total                                 | \$1,018,837,000 |



| Criteria                         | Indicator  | Measure  | King Island |
|----------------------------------|--|--|-------------|
| Financial Sustainability (cont.) | Estimation of theoretical rate revenue applying current rates  | Estimated rate revenue - residential                                 | \$493,000   |
|                                  |  | Estimated rate revenue - primary production                          | \$1,453,000 |
|                                  |  | Estimated rate revenue - industrial                                  | \$43,000    |
|                                  |  | Estimated rate revenue - commercial                                  | \$103,000   |
|                                  |  | Estimated rate revenue - vacant                                      | \$113,000   |
|                                  |  | Estimated rate revenue - other                                       | \$19,000    |
|                                  |  | Estimated rate revenue - Total                                       | \$2,225,000 |
|                                  | Estimated % revenue as a share of land value by land-use class | Estimated rate revenue as a share of land value - residential        | 0.22        |
|                                  |  | Estimated rate revenue as a share of land value - primary production | 0.22        |
|                                  |  | Estimated rate revenue as a share of land value - industrial         | 0.26        |
|                                  |  | Estimated rate revenue as a share of land value - commercial         | 0.22        |
|                                  |  | Estimated rate revenue as a share of land value - vacant             | 0.31        |
|                                  |  | Estimated rate revenue as a share of land value - other              | 0.06        |
|                                  |  | Estimated rate revenue as a share of land value - Total              | 0.22        |
|                                  | Road Infrastructure  | Km of council roads - unsealed                                       | 345.4       |
| Km of council roads - sealed     |  | 63.7   |             |

# Flinders



## Description

Similar to King Island, the existing Flinders Council serves the remote and isolated communities of Flinders Island and Truwana/Cape Barren Island. As a highly self-contained community of interest, Flinders should likewise retain its own representation rather than be merged into a new North East council.

## Criterion 1: Place and Representation

In addition to their isolation, Flinders and Truwana/Cape Barren islands are culturally distinctive with a unique sense of place. The islands' rich Aboriginal history and large Aboriginal populations are sources of strength and distinction that also pose specific and important service provision challenges.

### Key evidence:

- Population: 914
- Median Age: 57.3
- Population living at different address 5 years ago: 31.5%
- SEIFA decile: 5

## Criterion 2: Future Needs and Priorities

While its small size and isolation poses service provision and scale challenges, perhaps its ageing population will constitute the most pressing area of future need for Flinders. Residents of Flinders are already the oldest in the state, with a median age of 57, and have aged more rapidly than in any other area proposed in this report (the median age of Flinders LGA increased by almost six years between 2011 and 2021).

### Key evidence:

- Population change 2011-21: 144
- Dwelling vacancy rate: 32.7%
- Population under age 15: 14.9%
- Population over age 65: 36.3%
- 10-year change in median age: 5.7 years

### **Criterion 3: Financial Sustainability**

Flinders Council already relies heavily on contracted/shared provision arrangements to deliver services given its limited scale and capacity and lack of capability in key technical specialisations. This need will continue and likely even become more comparatively acute under the scenarios proposed in this report, meaning that shared services and regional partnership arrangements will be critical. Even with such arrangements in place, and considering its isolation and unique challenges, a standalone Flinders Council would be sub-scale and require continued support through equalisation funding and special-purpose grants.

#### **Key evidence:**

- Estimated total value of rateable land: \$545,359,000
- Estimated rate revenue: \$2,140,000
- Length of sealed roads managed by council: 72.5km
- Length of unsealed roads managed by council: 273.7km

### **Criterion 4: Operational Capability**

Remote and isolated LGAs like Flinders already struggle to access qualified technical staff and expertise, which will remain the case without consolidation. This council will therefore rely heavily on procurement via shared services arrangements, most likely from the larger and therefore more capable Tamar Valley Council.

#### **Key evidence:**

- 83.2% of residents would be within a 30-minute drive of the likely service hub at Whitemark.
- 0% of the population would be in urban areas of 10,000 or greater.

### **Key issues for consultation and technical analysis**

Flinders Council does not support amalgamation with any other council.

Reforms to the current systems of equalisation and grant distribution could see Flinders attract a greater quantum of Commonwealth Financial Assistance Grant Funding than it currently receives, but any such changes will require further independent technical analysis and review.

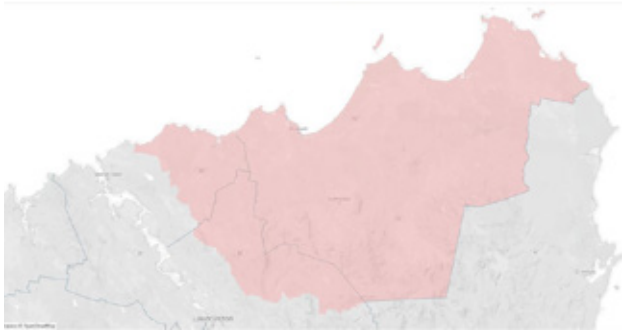
## Full data table

| Criteria                               | Indicator  | Measure  | Flinders      |
|--|--|--|---------------|
| Overview                               | Demographic  | Population   | 914           |
|  |  | Median age   | 57.3          |
|  | Income and Employment                                    | SEFIA IRSAD Score  | 946.6         |
|  |  | SEIFA IRSAD Decile   | 5             |
|  | Housing  | Total dwellings  | 683           |
|  |  | No. of single person households                                | 157           |
| % dwellings unoccupied on Census night |  | 32.7   |               |
| Place and Representation               | Established administrative, commercial and service hub/s | % of population within 30 mins of administrative hub           | 83.2          |
|  |  | % of population within 60 mins of administrative hub           | 88.9          |
|  |  | % of population within 60 plus mins of administrative hub      | 11.1          |
|  | Urbanisation   | % of population in urban areas of population 10,000 or greater | 0.0           |
|  | Mobility/ Migration                                      | % of population living at a different address 5 years ago      | 31.5          |
| Future Needs and Priorities            | Population growth  | Ten-year population change (2011-21)                           | 144           |
|  | Housing supply and infrastructure demand                 | Ten-year change in total dwelling numbers (2011-21)            | 24            |
|  | Employment growth  | Ten-year per cent change in resident labour force (2011-21)    | 13.9          |
|  | Older/aging communities                                  | Ten-year change in median age                                  | 5.7           |
|  |  | % Population over 65   | 36.3          |
| Younger communities                    | % Population under 15                                    | 14.9   |               |
| Financial Sustainability               | Value of rateable land                                   | Value of rateable land - residential                           | \$192,012,000 |
|  |  | Value of rateable land - primary production                    | \$242,269,000 |
|  |  | Value of rateable land - industrial                            | \$2,470,000   |
|  |  | Value of rateable land - commercial                            | \$20,357,000  |
|  |  | Value of rateable land - vacant                                | \$51,637,000  |
|  |  | Value of rateable land - other                                 | \$36,615,000  |
|  |  | Value of rateable land - Total                                 | \$545,359,000 |

| Criteria                         | Indicator  | Measure  | Flinders    |
|----------------------------------|--|--|-------------|
| Financial Sustainability (cont.) | Estimation of theoretical rate revenue applying current rates  | Estimated rate revenue - residential                                 | \$754,000   |
|                                  |  | Estimated rate revenue - primary production                          | \$949,000   |
|                                  |  | Estimated rate revenue - industrial                                  | \$8,000     |
|                                  |  | Estimated rate revenue - commercial                                  | \$85,000    |
|                                  |  | Estimated rate revenue - vacant                                      | \$325,000   |
|                                  |  | Estimated rate revenue - other                                       | \$20,000    |
|                                  |  | Estimated rate revenue - Total                                       | \$2,140,000 |
|                                  | Estimated % revenue as a share of land value by land-use class | Estimated rate revenue as a share of land value - residential        | 0.39        |
|                                  |  | Estimated rate revenue as a share of land value - primary production | 0.39        |
|                                  |  | Estimated rate revenue as a share of land value - industrial         | 0.32        |
|                                  |  | Estimated rate revenue as a share of land value - commercial         | 0.42        |
|                                  |  | Estimated rate revenue as a share of land value - vacant             | 0.63        |
|                                  |  | Estimated rate revenue as a share of land value - other              | 0.06        |
|                                  |  | Estimated rate revenue as a share of land value - Total              | 0.39        |
|                                  | Road Infrastructure  | Km of council roads - unsealed                                       | 273.7       |
| Km of council roads - sealed     |  | 72.5   |             |



## North East



### Description

The proposed LGA is similar to the existing Dorset Council but expands westward to include rural and regional tracts of the existing George Town and City of Launceston Council areas. This change balances the need for increased scale and regional coherence in the north-east of the state against the strong commuting links that connect George Town and the Tamar Valley to Launceston. Bridport and Scottsdale would remain the major commercial and service centres for this council.

### Criterion 1: Place and Representation

The proposed North East Council is united primarily by a common industrial specialisation in the agricultural and tourism sectors. While parts of the new area proposed here form a regional hinterland with close connections to Greater Launceston, some of its more easterly communities are very remote.

#### Key evidence:

- Population: 9,922
- Median Age: 47.9
- Population living at different address 5 years ago: 28.4%
- SEIFA decile: 3

### Criterion 2: Future Needs and Priorities

As in several other areas, population ageing, socio-economic disadvantage and a shrinking (relative to population) labour force pose major long-term financial and service provision challenges in the North East.

#### Key evidence:

- Population change 2011-21: 291
- Dwelling vacancy rate: 19.1%
- Population under age 15: 17.1%
- Population over age 65: 24.5%
- 10-year change in median age: 3.6 years

### **Criterion 3: Financial Sustainability**

While larger and more populous than the existing Dorset Council, this new council would nevertheless be small compared to several of the new areas proposed in this report. Its size, dispersed population, and relative inaccessibility in some areas also pose considerable challenges for service provision and scale. Nevertheless, a large primary production rate base (almost 20% of estimated rate income), in addition to new and emerging tourism ventures and renewable energy projects, offer the prospect of reasonable and sustainable revenues if rated appropriately. As a less populous council characterised by very low density, however, equalisation in the form of grant funding is likely to remain a key funding source into the future.

#### **Key evidence:**

- Estimated total value of rateable land: \$4,403,019,000
- Estimated rate revenue: \$10,313,000
- Length of sealed roads managed by council: 381.2km
- Length of unsealed roads managed by council: 623.9km

### **Criterion 4: Operational Capability**

The addition of more population and a broader rate base will assist this council in developing operational capability relative to the current Dorset Council, but it will likely still need to rely heavily on shared services arrangements and regional partnerships to procure specialist technical expertise.

#### **Key evidence:**

- 89.8% of residents would be within a 30-minute drive of the likely service hubs of Bridport and Scottsdale.
- 0% of the population would be in urban areas of 10,000 or greater.

### **Key issues for consultation and technical analysis**

This potential new council was proposed by Dorset Council. George Town Council did not support moving its eastern boundary to exclude rural areas. City of Launceston Council did indicate some support for its rural areas to the east being included in this council.

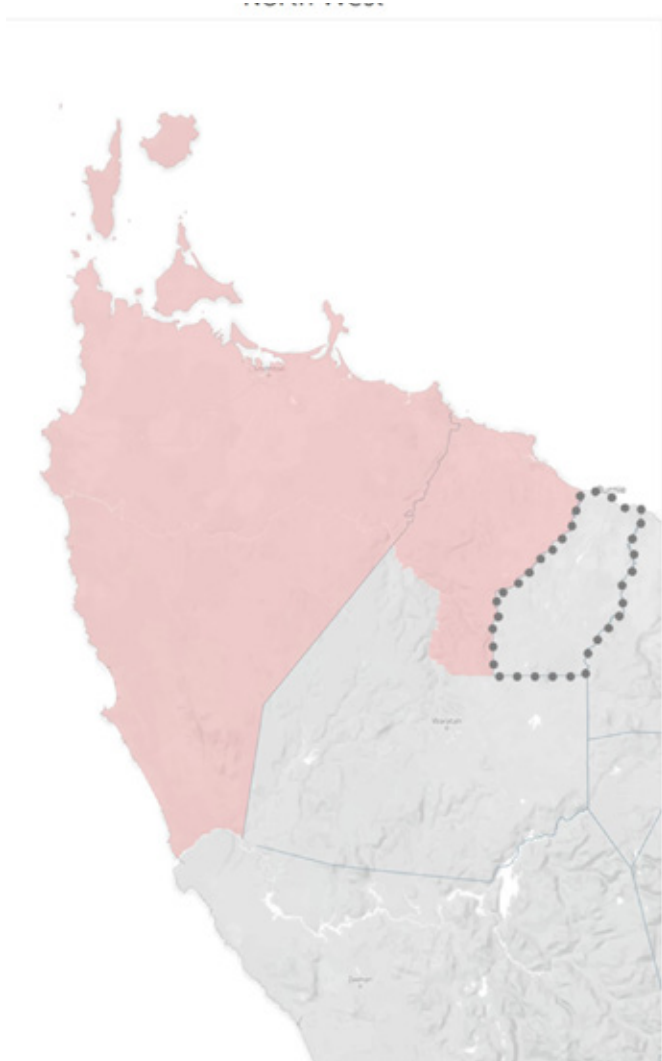
The ongoing sustainability of the North East Council will be contingent on expanded shared services and regional partnership arrangements. A technical review of rating and valuation practices relevant to wind farms, mines, and quarries may contribute to more equitable and consistent revenues across all land uses.

## Full data table

| Criteria                               | Indicator  | Measure  | North East      |
|--|--|--|-----------------|
| Overview                               | Demographic  | Population   | 9,922           |
|  |  | Median age   | 47.9            |
|  | Income and Employment                                    | SEFIA IRSAD Score  | 915.5           |
|  |  | SEIFA IRSAD Decile   | 3               |
|  | Housing  | Total dwellings  | 5,501           |
|  |  | No. of single person households                                | 1,129           |
| % dwellings unoccupied on Census night |  | 19.1   |                 |
| Place and Representation               | Established administrative, commercial and service hub/s | % of population within 30 mins of administrative hub           | 89.8            |
|  |  | % of population within 60 mins of administrative hub           | 99.2            |
|  |  | % of population within 60 plus mins of administrative hub      | 0.8             |
|  | Urbanisation   | % of population in urban areas of population 10,000 or greater | 0.0             |
|  | Mobility/ Migration                                      | % of population living at a different address 5 years ago      | 28.4            |
| Future Needs and Priorities            | Population growth  | Ten-year population change (2011-21)                           | 291             |
|  | Housing supply and infrastructure demand                 | Ten-year change in total dwelling numbers (2011-21)            | 187             |
|  | Employment growth  | Ten-year per cent change in resident labour force (2011-21)    | 2.1             |
|  | Older/aging communities                                  | Ten-year change in median age                                  | 3.6             |
|  |  | % Population over 65   | 24.5            |
| Younger communities                    | % Population under 15                                    | 17.1   |                 |
| Financial Sustainability               | Value of rateable land                                   | Value of rateable land - residential                           | \$2,097,398,000 |
|  |  | Value of rateable land - primary production                    | \$1,679,887,000 |
|  |  | Value of rateable land - industrial                            | \$33,011,000    |
|  |  | Value of rateable land - commercial                            | \$148,376,000   |
|  |  | Value of rateable land - vacant                                | \$182,677,000   |
|  |  | Value of rateable land - other                                 | \$261,670,000   |
|  |  | Value of rateable land - Total                                 | \$4,403,019,000 |

| Criteria                         | Indicator  | Measure  | North East   |
|----------------------------------|--|--|--------------|
| Financial Sustainability (cont.) | Estimation of theoretical rate revenue applying current rates  | Estimated rate revenue - residential                                 | \$4,610,000  |
|                                  |  | Estimated rate revenue - primary production                          | \$3,687,000  |
|                                  |  | Estimated rate revenue - industrial                                  | \$111,000    |
|                                  |  | Estimated rate revenue - commercial                                  | \$903,000    |
|                                  |  | Estimated rate revenue - vacant                                      | \$580,000    |
|                                  |  | Estimated rate revenue - other                                       | \$422,000    |
|                                  |  | Estimated rate revenue - Total                                       | \$10,313,000 |
|                                  | Estimated % revenue as a share of land value by land-use class | Estimated rate revenue as a share of land value - residential        | 0.22         |
|                                  |  | Estimated rate revenue as a share of land value - primary production | 0.22         |
|                                  |  | Estimated rate revenue as a share of land value - industrial         | 0.34         |
|                                  |  | Estimated rate revenue as a share of land value - commercial         | 0.61         |
|                                  |  | Estimated rate revenue as a share of land value - vacant             | 0.32         |
|                                  |  | Estimated rate revenue as a share of land value - other              | 0.16         |
|                                  |  | Estimated rate revenue as a share of land value - Total              | 0.23         |
|                                  | Road Infrastructure  | Km of council roads - unsealed                                       | 623.9        |
| Km of council roads - sealed     |  | 381.2  |              |

# North West



## Description

The proposed North West Council combines the existing Circular Head LGA with the northern half of Waratah-Wynyard LGA (largely following the natural boundary created by the Arthur River). The towns of Waratah and Savage River, and the remaining southern parts of Waratah-Wynyard, would be absorbed into a larger Western Council.

## Criterion 1: Place and Representation

Tasmania's far North West constitutes a strong and cohesive region based on agriculture and primary production, geography, and a well-established community of interest. The inclusion of the township of Wynyard in this configuration reflects its importance as a service and employment centre not just for its own LGA but also for many rural parts of the existing Circular Head Council.

### Key evidence:

- Population: 22,138
- Median Age: 45.5
- Population living at different address 5 years ago: 32.4%
- SEIFA decile: 2

## Criterion 2: Future Needs and Priorities

As in most other rural and regional parts of Tasmania, the North West is confronting the challenges of population ageing, a shrinking labour force and socio-economic disadvantage. The median age of this proposed council has increased by 4.2 years since 2011 (to 45.5 years), during which time the labour force has grown by just 1.7%, indicating that labour force participation has declined relative to population.

### Key evidence:

- Population change 2011-21: 775
- Dwelling vacancy rate: 11.8%
- Population under age 15: 19%
- Population over age 65: 23.4%
- 10-year change in median age: 4.2 years

## Criterion 3: Financial Sustainability

The integration of Wynyard with the existing Circular Head Council area in this proposal adds both an important regional service centre and a growing residential rate base, both of which will contribute to the financial sustainability of a new council.



**Key evidence:**

- Estimated total value of rateable land: \$6,891,843,000
- Estimated rate revenue: \$18,112,000
- Length of sealed roads managed by council: 581.9km
- Length of unsealed roads managed by council: 669km

**Criterion 4: Operational Capability**

A larger population and a broader rate base will assist this council in developing operational capability relative to the current Circular Head Council, but it will likely still need to rely heavily on shared services arrangements and regional partnerships to procure specialist technical expertise.

**Key evidence:**

- 97.2% of residents would be within a 30-minute drive of the likely service hubs of Smithton and Wynyard.
- 15.3% of the population would be in urban areas of 10,000 or greater.

**Key issues for consultation and technical analysis**

Circular Head and Waratah-Wynyard Councils support exploring a merger with each other. Waratah-Wynyard are open to the Waratah and Savage River areas being allocated to a new expanded Western Council.

In the long-term, it may be desirable to amalgamate the new North-West and Western Councils. While they have quite different community and industrial bases, they do share challenges in being relatively remote from large service centres. In the short-term, these new councils should be exploring greater service sharing with each other, and with the councils in the Cradle Coast region.

The current Burnie City Council area has been notionally allocated to the new Cradle Coast Council because of the strong internal living and working patterns across the whole region. However, the Board believes that a case could be made for including Burnie in the new North West Council, given the role it plays as a service centre to the regions to the west and south-west. The table below shows the impact on a new North West Council of including Burnie LGA. The Board believes that this option should be explored further when the appropriate boundaries of a new North West Council are being investigated.

Table 6: Impact of adding the current Burnie LGA to a new North West Council

| Measure                        | North West      | North West with Burnie LGA | % change |
|--------------------------------|-----------------|----------------------------|----------|
| Population                     | 22,138          | 42,056                     | +90%     |
| Total dwellings                | 10,761          | 19,991                     | +86%     |
| Value of rateable land - Total | \$6,891,843,000 | \$11,351,765,000           | +65%     |
| Estimated rate revenue - Total | \$18,112,000    | \$35,196,000               | +94%     |
| Km of council roads - unsealed | 669.0           | 715.0                      | +7%      |
| Km of council roads - sealed   | 581.9           | 888.2                      | +53%     |

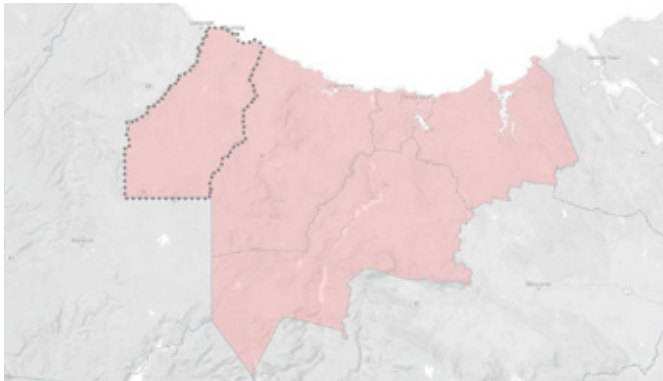
Another key issue to be investigated in establishing the new North West Council is the new council's potential access to funding streams controlled by State Government – potentially by enabling the council to raise rates revenue from wind farms to reflect their commercial return, and by directing a greater proportion of the heavy vehicle tax to the council.

## Full data table

| Criteria                               | Indicator  | Measure  | North West      |
|--|--|--|-----------------|
| Overview                               | Demographic  | Population   | 22,138          |
|  |  | Median age   | 45.5            |
|  | Income and Employment                                    | SEIFA IRSAD Score  | 903.9           |
|  |  | SEIFA IRSAD Decile   | 2               |
|  | Housing  | Total dwellings  | 10,761          |
|  |  | No. of single person households                                | 2,681           |
| % dwellings unoccupied on Census night |  | 11.8   |                 |
| Place and Representation               | Established administrative, commercial and service hub/s | % of population within 30 mins of administrative hub           | 97.2            |
|  |  | % of population within 60 mins of administrative hub           | 99.7            |
|  |  | % of population within 60 plus mins of administrative hub      | 0.3             |
|  | Urbanisation   | % of population in urban areas of population 10,000 or greater | 15.3            |
|  | Mobility/ Migration                                      | % of population living at a different address 5 years ago      | 32.4            |
| Future Needs and Priorities            | Population growth  | Ten-year population change (2011-21)                           | 775             |
|  | Housing supply and infrastructure demand                 | Ten-year change in total dwelling numbers (2011-21)            | 852             |
|  | Employment growth  | Ten-year per cent change in resident labour force (2011-21)    | 1.7             |
|  | Older/aging communities                                  | Ten-year change in median age                                  | 4.2             |
|  |  | % Population over 65   | 23.4            |
| Younger communities                    | % Population under 15                                    | 19.0   |                 |
| Financial Sustainability               | Value of rateable land                                   | Value of rateable land - residential                           | \$3,574,547,000 |
|  |  | Value of rateable land - primary production                    | \$2,602,601,000 |
|  |  | Value of rateable land - industrial                            | \$148,110,000   |
|  |  | Value of rateable land - commercial                            | \$208,952,000   |
|  |  | Value of rateable land - vacant                                | \$168,896,000   |
|  |  | Value of rateable land - other                                 | \$188,737,000   |
|  |  | Value of rateable land - Total                                 | \$6,891,843,000 |

| Criteria                         | Indicator  | Measure  | North West   |
|----------------------------------|--|--|--------------|
| Financial Sustainability (cont.) | Estimation of theoretical rate revenue applying current rates  | Estimated rate revenue - residential                                 | \$9,673,000  |
|                                  |  | Estimated rate revenue - primary production                          | \$6,043,000  |
|                                  |  | Estimated rate revenue - industrial                                  | \$695,000    |
|                                  |  | Estimated rate revenue - commercial                                  | \$959,000    |
|                                  |  | Estimated rate revenue - vacant                                      | \$465,000    |
|                                  |  | Estimated rate revenue - other                                       | \$279,000    |
|                                  |  | Estimated rate revenue - Total                                       | \$18,112,000 |
|                                  | Estimated % revenue as a share of land value by land-use class | Estimated rate revenue as a share of land value - residential        | 0.27         |
|                                  |  | Estimated rate revenue as a share of land value - primary production | 0.23         |
|                                  |  | Estimated rate revenue as a share of land value - industrial         | 0.47         |
|                                  |  | Estimated rate revenue as a share of land value - commercial         | 0.46         |
|                                  |  | Estimated rate revenue as a share of land value - vacant             | 0.28         |
|                                  |  | Estimated rate revenue as a share of land value - other              | 0.15         |
|                                  |  | Estimated rate revenue as a share of land value - Total              | 0.26         |
|                                  | Road Infrastructure  | Km of council roads - unsealed                                       | 669.0        |
| Km of council roads - sealed     |  | 581.9  |              |

# Cradle Coast



## Description

The proposed Cradle Coast Council combines the five existing LGAs of Burnie, Central Coast, Kentish, Devonport, and Latrobe. This part of the north-west coast has long had a strong connection and sense of place based on common geography and a shared industrial base, focusing on manufacturing and agriculture. Reflecting this shared sense of purpose and community, a number of organisations, services, and businesses are already organised at a regional scale.

## Criterion 1: Place and Representation

While the Cradle Coast hosts several important regional centres – Burnie, Penguin, Ulverstone, Latrobe, Sheffield, and Devonport – analysis of resident movement data reveals that all are closely connected with one another. Residents of this area, connected by the Bass Highway, move frequently along the coast and its hinterland. Close to 1,000 workers commute between Burnie and Devonport daily. However, these connections are less clear in the area beyond Wynyard to the west and do not extend into the Meander Valley or the existing West Tamar LGA to the East.

## Key evidence:

- Population: 87,883
- Median Age: 44.8
- Population living at different address 5 years ago: 34.7%
- SEIFA decile: 2

## Criterion 2: Future Needs and Priorities

As in many other parts of the state, the Cradle Coast faces challenges associated with demographic ageing and rural areas of static or declining population, although the city of Burnie and the Latrobe area have both experienced recent strong population growth. Economic and industrial restructuring also pose challenges, as a once-dominant manufacturing industry declines and is replaced by growth in services employment. Across Tasmania, the share of the total population employed in the manufacturing sector has fallen by more than half since 1993, and even more so on the Cradle Coast.

The result of this change is that many smaller regional settlements which once hosted large local manufacturing workforces are now more connected with the Coast's major population centres, particularly Burnie, Ulverstone, and Devonport. Addressing low (albeit improving) levels of educational attainment and workforce participation as well as health and wellbeing outcomes will be important for the future prosperity of the Cradle Coast community. The number of people with disability is relatively high in the region – 29% of people in Central Coast LGA have a disability – meaning that service needs in the future are likely to be high.

### Key evidence:

- Population change 2011-21: 6,658
- Dwelling vacancy rate: 8%
- Population under age 15: 17.6%
- Population over age 65: 23%
- 10-year change in median age: 3.1 years

## Criterion 3: Financial Sustainability

This council's large population (just under 88,000 people) and diverse rates base mean that it would likely enjoy sufficient scale, capacity, and revenue to operate on a sustainable footing. It is also likely that this large and capable authority would generate additional income by acting as a key provider of shared services to other entities in the region, particularly the proposed Flinders, Western, and North West Councils.

### Key evidence:

- Estimated total value of rateable land: \$21,302,056,000
- Estimated rate revenue: \$70,741,000
- Length of sealed roads managed by council: 1,594.7km
- Length of unsealed roads managed by council: 441.5km

## Criterion 4: Operational Capability

Economies of scale and scope in administrative and technical services will likely allow a new Cradle Coast Council to access specialist skills and operational capability more easily than its current constituent councils are able to as separate entities. This large council will also have an important role supporting the operations of neighbouring councils.

### Key evidence:

- 99.1% of residents would be within a 30-minute drive of a major service hub.
- 61.7% of the population would be in urban areas of 10,000 or greater.



### Key issues for consultation and technical analysis

There is a full spectrum of views on amalgamation amongst current councils in the region:

- Burnie City Council is open to amalgamation with other councils in this region, and would be willing to look at greater sharing of services as a sub-optimal solution.
- Devonport City Council does not support a consolidation of the whole region that includes Burnie City Council, however it is open to exploring amalgamation with Kentish and Latrobe Councils and the parts of Central Coast LGA east of Penguin. It is also open to considering expanding south and east to include Latrobe LGA and the eastern part of Kentish LGAs.
- Kentish and Latrobe Councils support merging with each other, but would not support a merger with Devonport or other councils in the region. The community in these council areas seems to share this view.
- Central Coast Council does not support the creation of a large Cradle Coast Council as it believes it would advantage the larger centres of Devonport and Burnie. It would prefer a scenario that extends its boundaries east to the Don River and south to Cradle Mountain.

Given the very different positions of member councils, it seems unlikely that a new Cradle Coast Council will arise through voluntary amalgamation in the near future. The proposal from Kentish and Latrobe Councils to merge should be explored, however as these councils are already operating under a merged administration, the Board

recognises that the formal amalgamation they are considering is likely to yield only small additional benefit. While not discouraging this iterative step forward, the Board believes that in the long term, more substantial benefit could arise if the future Cradle Coast structure was adopted. The Board encourages councils and communities to consider further moves in this direction, both in greater service sharing in the region and further amalgamations over time.

Any future amalgamation scenarios, including the amalgamation of Kentish and Latrobe, would need to consider the impact of boundary changes on eligibility for Commonwealth funding via the State Grants Commission.

The future of any waste management arrangement in the region would also need to be carefully considered. Dulverton Waste Management is currently owned by four of the five councils in the region and is considered to be a successful model both operationally and financially.

The current Burnie City Council area has been notionally allocated to the new Cradle Coast Council because of the strong internal living and working patterns across the whole region. However, the Board believes that a case could be made for including Burnie in the new North West Council, given the role it plays as a service centre to the regions to the west and south-west. The table below shows the impact of a new Cradle Coast Council not including Burnie LGA. The Board believes that this option should be explored further when the appropriate boundaries of a new Cradle Coast Council are being investigated.

Table 7: Impact of not including the current Burnie LGA in a new Cradle Coast Council

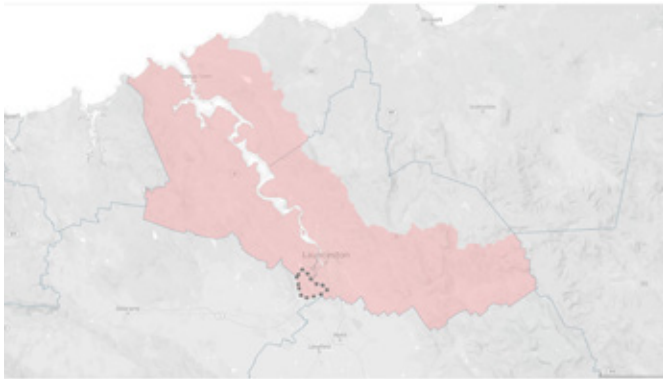
| <b>Measure</b>                 | <b>Cradle Coast</b> | <b>Cradle Coast<br/>without Burnie LGA</b> | <b>% change</b> |
|--------------------------------|---------------------|--|-----------------|
| Population                     | 87,883              | 67,965                                     | -23%            |
| Total dwellings                | 40,397              | 31,167                                     | -23%            |
| Value of rateable land - Total | \$21,302,056,000    | \$16,842,133,000                           | -21%            |
| Estimated rate revenue - Total | \$70,741,000        | \$53,657,000                               | -24%            |
| Km of council roads - unsealed | 441.5               | 395.5                                      | -10%            |
| Km of council roads - sealed   | 1,594.7             | 1,288.4                                    | -19%            |

## Full data table

| Criteria                               | Indicator  | Measure  | Cradle Coast     |
|--|--|--|------------------|
| Overview                               | Demographic  | Population   | 87,883           |
|  |  | Median age   | 44.8             |
|  | Income and Employment                                    | SEIFA IRSAD Score  | 904.9            |
|  |  | SEIFA IRSAD Decile   | 2                |
|  | Housing  | Total dwellings  | 40,397           |
|  |  | No. of single person households                                | 10,694           |
| % dwellings unoccupied on Census night |  | 8.0  |                  |
| Place and Representation               | Established administrative, commercial and service hub/s | % of population within 30 mins of administrative hub           | 99.1             |
|  |  | % of population within 60 mins of administrative hub           | 100.0            |
|  |  | % of population within 60 plus mins of administrative hub      | 0.0              |
|  | Urbanisation   | % of population in urban areas of population 10,000 or greater | 61.7             |
|  | Mobility/ Migration                                      | % of population living at a different address 5 years ago      | 34.7             |
| Future Needs and Priorities            | Population growth  | Ten-year population change (2011-21)                           | 6,658            |
|  | Housing supply and infrastructure demand                 | Ten-year change in total dwelling numbers (2011-21)            | 3,831            |
|  | Employment growth  | Ten-year per cent change in resident labour force (2011-21)    | 11.5             |
|  | Older/aging communities                                  | Ten-year change in median age                                  | 3.1              |
|  |  | % Population over 65   | 23.0             |
| Younger communities                    | % Population under 15                                    | 17.6   |                  |
| Financial Sustainability               | Value of rateable land                                   | Value of rateable land - residential                           | \$15,307,231,000 |
|  |  | Value of rateable land - primary production                    | \$2,211,412,000  |
|  |  | Value of rateable land - industrial                            | \$725,055,000    |
|  |  | Value of rateable land - commercial                            | \$1,403,935,000  |
|  |  | Value of rateable land - vacant                                | \$674,244,000    |
|  |  | Value of rateable land - other                                 | \$980,179,000    |
|  |  | Value of rateable land - Total                                 | \$21,302,056,000 |

| Criteria                         | Indicator  | Measure  | Cradle Coast |
|----------------------------------|--|--|--------------|
| Financial Sustainability (cont.) | Estimation of theoretical rate revenue applying current rates  | Estimated rate revenue - residential                                 | \$47,296,000 |
|                                  |  | Estimated rate revenue - primary production                          | \$6,081,000  |
|                                  |  | Estimated rate revenue - industrial                                  | \$4,998,000  |
|                                  |  | Estimated rate revenue - commercial                                  | \$8,960,000  |
|                                  |  | Estimated rate revenue - vacant                                      | \$2,123,000  |
|                                  |  | Estimated rate revenue - other                                       | \$1,282,000  |
|                                  |  | Estimated rate revenue - Total                                       | \$70,741,000 |
|                                  | Estimated % revenue as a share of land value by land-use class | Estimated rate revenue as a share of land value - residential        | 0.31         |
|                                  |  | Estimated rate revenue as a share of land value - primary production | 0.28         |
|                                  |  | Estimated rate revenue as a share of land value - industrial         | 0.69         |
|                                  |  | Estimated rate revenue as a share of land value - commercial         | 0.64         |
|                                  |  | Estimated rate revenue as a share of land value - vacant             | 0.31         |
|                                  |  | Estimated rate revenue as a share of land value - other              | 0.13         |
|                                  |  | Estimated rate revenue as a share of land value - Total              | 0.33         |
|                                  | Road Infrastructure  | Km of council roads - unsealed                                       | 441.5        |
| Km of council roads - sealed     |  | 1,594.7  |              |

# Tamar Valley



## Description

This council combines much of the current area of the LGAs of West Tamar, Launceston, and George Town into a single entity. The new council would extend from the mouth of the River Tamar at Low Head and Greens Beach through the Tamar Valley to Launceston and then follow the path of the North Esk River as far as the current boundary with Break O'Day Council. The rural areas of the existing Launceston LGA north of Mount Barrow and Nunamara, including Mount Arthur, Brown's Hill, Lilydale, Lebrina, and Lower Turners Marsh, would be absorbed into an expanded North East council.

## Criterion 1: Place and Representation

The consolidation of the community of George Town and the current West Tamar LGA with Greater Launceston in a single council reflects their strong commuting and resident movement connections with each other. On a normal day, almost 700 residents of George Town, 1,350 of Legana, and 2,200 of Riverside commute to Launceston for work. Residents of both the east and west Tamar regions also rely heavily on Launceston for various key services and recreation. Establishing one council for the Tamar Valley will support integrated catchment and environmental management and reflect strong geographical and cultural links across the community.

## Key evidence:

- Population: 105,915
- Median Age: 41.8
- Population living at different address 5 years ago: 36.8%
- SEIFA decile: 4



### **Criterion 2: Future Needs and Priorities**

Over the past ten years, this area has experienced considerable population and labour force growth as well as a surge in residential building completions, leading to a large increase (some 9.6%) in total dwellings. Accommodating continued growth and ensuring continued access to high quality services and infrastructure without contributing to urban sprawl will be a key strategic and land-use planning challenge.

#### **Key evidence:**

- Population change 2011-21: 9,804
- Dwelling vacancy rate: 7.7%
- Population under age 15: 17.8%
- Population over age 65: 20.4%
- 10-year change in median age: 2.4 years

### **Criterion 3: Financial Sustainability**

The Tamar Valley Council proposed here would be the second most populous in the state and would have access to a broad and diverse rate base featuring a good balance of residential and non-residential land uses. It would also likely enjoy the benefit of considerable economies of scope and scale in administrative 'back office' and professional or technical specialisations.

#### **Key evidence:**

- Estimated total value of rateable land: \$29,092,479,000
- Estimated rate revenue: \$87,007,000
- Length of sealed roads managed by council: 943.9km
- Length of unsealed roads managed by council: 283.2km

### **Criterion 4: Operational Capability**

This council's size and capacity suggest that it is unlikely to face major difficulties securing adequate operational capability. Moreover, it would be very well placed to act as a key provider of shared services to some of its less populous and capable neighbours.

#### **Key evidence:**

- 98.8% of residents would be within a 30-minute drive of a major service hub.
- 76.4% of the population would be in urban areas of 10,000 or greater.

### **Key issues for consultation and technical analysis**

There is a range of views on amalgamation amongst current councils in this region:

- City of Launceston Council was open to a scenario similar to this, however it expressed a preference for including the Launceston Airport and Translink Industrial Area, which are in the current Northern Midlands Council area.
- Northern Midlands Council, West Tamar and Meander Valley Councils do not support any changes to their boundaries.
- George Town Council showed some interest in exploring a Tamar Valley Council scenario through detailed research and analysis. It also supported investigating a scenario in which it joined with West Tamar Council to form an East and West Tamar Council that did not include Launceston city.

Given the very different positions of member councils, it seems unlikely that a new Tamar Valley Council will arise through voluntary amalgamation in the near future. Nevertheless, the Board encourages councils and communities to continue to consider further moves in this direction, potentially through jointly commissioning a feasibility study. The Board also encourages greater service sharing in the region as a step towards a single council serving the community catchment.

A key issue to be considered in the establishment of any new Tamar Valley Council would be the equitable levying of rates across the area, given the range of rating strategies deployed by councils in the region.

Prospect Vale and Blackstone Heights, southwest of Launceston, have been included in this new council area but are currently part of Meander Valley Council. While they are clearly part of the continuous urban area of Launceston, further consideration should be given to their inclusion in a consolidated Tamar Valley Council (as opposed to a new Central Northern Council). The table below shows the impact of a new Tamar Valley Council not including Prospect Vale and Blackstone Heights.

Table 8: Impact of not including Prospect Vale and Blackstone Heights in a new Tamar Valley Council.

| <b>Measure</b>                 | <b>Tamar Valley</b> | <b>Tamar Valley without<br/>Prospect Vale and Blackstone<br/>Heights</b> | <b>% change</b> |
|--------------------------------|---------------------|--|-----------------|
| Population                     | 105,915             | 98,910   | -7%             |
| Total dwellings                | 48,004              | 44,954   | -6%             |
| Value of rateable land - Total | \$29,092,479,000    | \$27,304,497,000   | -6%             |
| Estimated rate revenue - Total | \$87,007,000        | \$83,517,000   | -4%             |
| Km of council roads - unsealed | 283.2               | 283.1  | 0%              |
| Km of council roads - sealed   | 943.9               | 899.2  | -5%             |

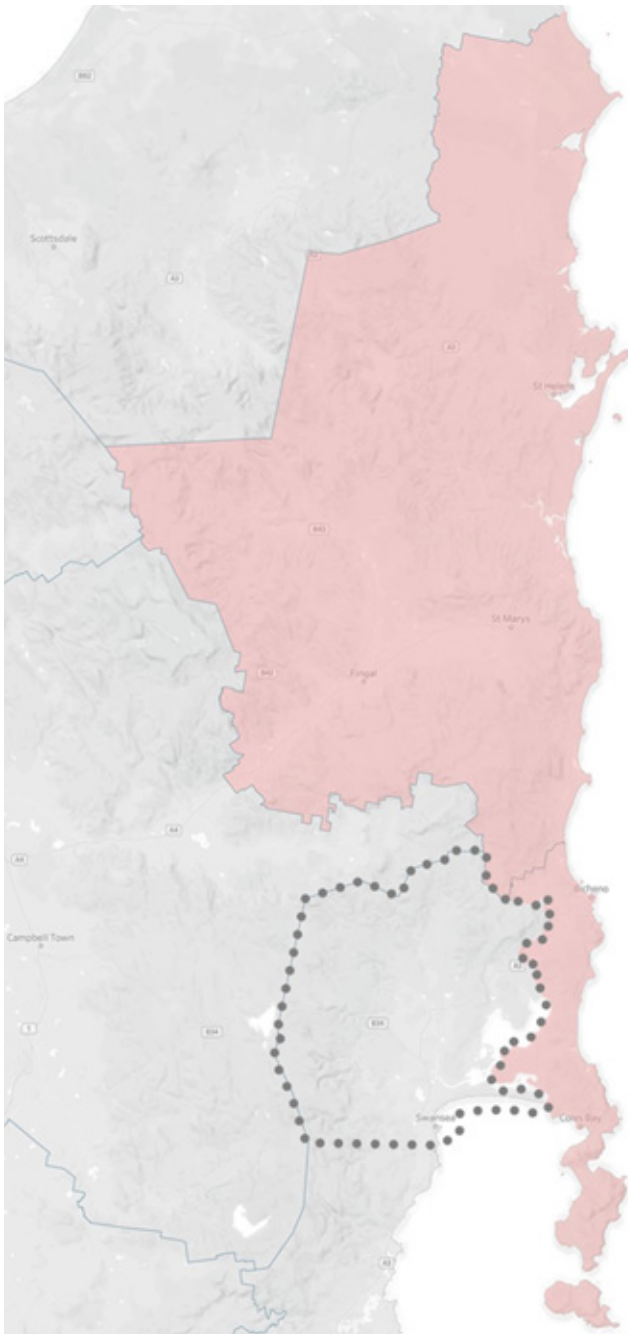
## Full data table

| Criteria                               | Indicator  | Measure  | Tamar Valley     |
|--|--|--|------------------|
| Overview                               | Demographic  | Population   | 105,915          |
|  |  | Median age   | 41.8             |
|  | Income and Employment                                    | SEFIA IRSAD Score  | 932.8            |
|  |  | SEIFA IRSAD Decile   | 4                |
|  | Housing  | Total dwellings  | 48,004           |
|  |  | No. of single person households                                | 12,731           |
| % dwellings unoccupied on Census night |  | 7.7  |                  |
| Place and Representation               | Established administrative, commercial and service hub/s | % of population within 30 mins of administrative hub           | 98.8             |
|  |  | % of population within 60 mins of administrative hub           | 100.0            |
|  |  | % of population within 60 plus mins of administrative hub      | 0.0              |
|  | Urbanisation   | % of population in urban areas of population 10,000 or greater | 76.4             |
|  | Mobility/ Migration                                      | % of population living at a different address 5 years ago      | 36.8             |
| Future Needs and Priorities            | Population growth  | Ten-year population change (2011-21)                           | 9,804            |
|  | Housing supply and infrastructure demand                 | Ten-year change in total dwelling numbers (2011-21)            | 4,192            |
|  | Employment growth  | Ten-year per cent change in resident labour force (2011-21)    | 13.5             |
|  | Older/aging communities                                  | Ten-year change in median age                                  | 2.4              |
|  |  | % Population over 65   | 20.4             |
| Younger communities                    | % Population under 15                                    | 17.8   |                  |
| Financial Sustainability               | Value of rateable land                                   | Value of rateable land - residential                           | \$21,463,372,000 |
|  |  | Value of rateable land - primary production                    | \$845,590,000    |
|  |  | Value of rateable land - industrial                            | \$879,351,000    |
|  |  | Value of rateable land - commercial                            | \$3,058,906,000  |
|  |  | Value of rateable land - vacant                                | \$735,720,000    |
|  |  | Value of rateable land - other                                 | \$2,109,541,000  |
|  |  | Value of rateable land - Total                                 | \$29,092,479,000 |

| Criteria                         | Indicator  | Measure  | Tamar Valley |
|----------------------------------|--|--|--------------|
| Financial Sustainability (cont.) | Estimation of theoretical rate revenue applying current rates  | Estimated rate revenue - residential                                 | \$61,112,000 |
|                                  |  | Estimated rate revenue - primary production                          | \$2,097,000  |
|                                  |  | Estimated rate revenue - industrial                                  | \$5,342,000  |
|                                  |  | Estimated rate revenue - commercial                                  | \$13,809,000 |
|                                  |  | Estimated rate revenue - vacant                                      | \$2,322,000  |
|                                  |  | Estimated rate revenue - other                                       | \$2,324,000  |
|                                  |  | Estimated rate revenue - Total                                       | \$87,007,000 |
|                                  | Estimated % revenue as a share of land value by land-use class | Estimated rate revenue as a share of land value - residential        | 0.28         |
|                                  |  | Estimated rate revenue as a share of land value - primary production | 0.25         |
|                                  |  | Estimated rate revenue as a share of land value - industrial         | 0.61         |
|                                  |  | Estimated rate revenue as a share of land value - commercial         | 0.45         |
|                                  |  | Estimated rate revenue as a share of land value - vacant             | 0.32         |
|                                  |  | Estimated rate revenue as a share of land value - other              | 0.11         |
|                                  |  | Estimated rate revenue as a share of land value - Total              | 0.30         |
|                                  | Road Infrastructure  | Km of council roads - unsealed                                       | 283.2        |
| Km of council roads - sealed     |  | 943.9  |              |



# East Coast



## Description

This council covers an area very similar to the existing Break O’Day LGA but includes Bicheno, Coles Bay, and Freycinet National Park.

## Criterion 1: Place and Representation

The primary rationale for the changes proposed under this consolidation scenario is the stronger connection of Bicheno with the communities to its north than those to its south. Bicheno is an important economic and service centre for much of the southern part of the existing Break O’Day Council.

### Key evidence:

- Population: 8,351
- Median Age: 54.3
- Population living at different address 5 years ago: 36.6%
- SEIFA decile: 2

## Criterion 2: Future Needs and Priorities

This area is one of the most reliant on tourism in the entire state. While a flourishing tourist industry underpins much economic activity in the East Coast, it also poses challenges. Housing and workforce shortages and seasonal variation in employment and economic activity are major and increasing challenges for this region. Demographic change is likewise a significant issue: the median age in this council is one of the oldest in the state, at 54.3 years, and has increased by 4.8 years since 2011. This likely reflects the popularity of the area as a retirement, ‘sea-change’, and shack destination. Nevertheless, it is likely that continued population ageing will pose major aged care and community service provision challenges in this region over the coming years.

### Key evidence:

- Population change 2011-21: 1,009
- Dwelling vacancy rate: 34.2%
- Population under age 15: 12.7%
- Population over age 65: 32%
- 10-year change in median age: 4.8 years

### Criterion 3: Financial Sustainability

The addition of Bicheno to this council area adds some depth to its available residential and commercial rates bases. However, it remains small by comparison to other proposed new councils and faces considerable demographic and geographic cost pressures on service provision expenditure.

#### Key evidence:

- Estimated total value of rateable land: \$4,235,773,000
- Estimated rate revenue: \$11,067,000
- Length of sealed roads managed by council: 244.2km
- Length of unsealed roads managed by council: 290.3km

### Criterion 4: Operational Capability

Given its relative remoteness, advanced median age, and small and dispersed population (under 9,000 people spread across several small communities over a large area) it is likely that this council will face considerable challenges accessing and retaining specialist skills and providing key community services. Given these challenges, East Coast Council is expected to rely heavily on shared services arrangements and regional partnerships to meet the needs of its communities.

#### Key evidence:

- 57.6% of residents would be within a 30-minute drive of a service hub.
- 0% of the population would be in urban areas of 10,000 or greater.

#### Key issues for consultation and technical analysis

Both Break O'Day and Glamorgan-Spring Bay Councils supported exploring the establishment of this new council.

A key unresolved issue is the appropriate location of its southern boundary. This report shows it falling to the east of Dolphin Sands, but there would be a number of feasible options in the vicinity of Bicheno, Coles Bay, Freycinet, Dolphin Sands and Swansea. The table below shows the impact on a new East Coast Council of including the area to Swansea. There should be further analysis and community consultation to identify the most suitable boundary if specific boundary changes are being considered.

Table 9: Impact of adding Swansea to a new East Coast Council.

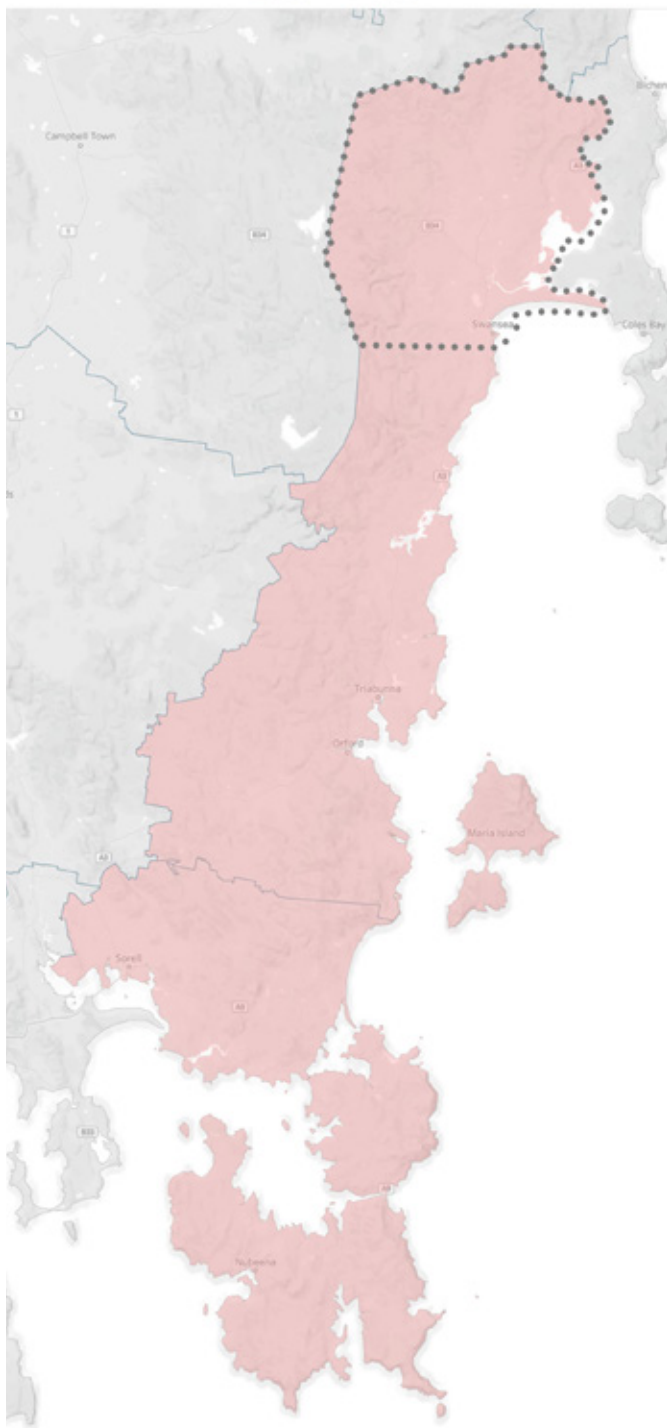
| Measure                        | East Coast      | East Coast with Swansea | % change |
|--------------------------------|-----------------|-------------------------|----------|
| Population                     | 8,351           | 9,606                   | +7%      |
| Total dwellings                | 6,499           | 7,506                   | +9%      |
| Value of rateable land - Total | \$4,235,773,000 | 5,090,585,000           | +11%     |
| Estimated rate revenue - Total | \$11,067,000    | 13,276,000              | +11%     |
| Km of council roads - unsealed | 290.3           | 346.4                   | +16%     |
| Km of council roads - sealed   | 244.2           | 286.9                   | +13%     |

## Full data table

| Criteria                               | Indicator  | Measure  | East Coast      |
|--|--|--|-----------------|
| Overview                               | Demographic  | Population   | 8,351           |
|  |  | Median age   | 54.3            |
|  | Income and Employment                                    | SEFIA IRSAD Score  | 895.6           |
|  |  | SEIFA IRSAD Decile   | 2               |
|  | Housing  | Total dwellings  | 6,499           |
|  |  | No. of single person households                                | 1,264           |
| % dwellings unoccupied on Census night |  | 34.2   |                 |
| Place and Representation               | Established administrative, commercial and service hub/s | % of population within 30 mins of administrative hub           | 57.6            |
|  |  | % of population within 60 mins of administrative hub           | 77.7            |
|  |  | % of population within 60 plus mins of administrative hub      | 22.3            |
|  | Urbanisation   | % of population in urban areas of population 10,000 or greater | 0.0             |
|  | Mobility/ Migration                                      | % of population living at a different address 5 years ago      | 36.6            |
| Future Needs and Priorities            | Population growth  | Ten-year population change (2011-21)                           | 1,009           |
|  | Housing supply and infrastructure demand                 | Ten-year change in total dwelling numbers (2011-21)            | 860             |
|  | Employment growth  | Ten-year per cent change in resident labour force (2011-21)    | 18.9            |
|  | Older/aging communities                                  | Ten-year change in median age                                  | 4.8             |
|  |  | % Population over 65   | 32.0            |
| Younger communities                    | % Population under 15                                    | 12.7   |                 |
| Financial Sustainability               | Value of rateable land                                   | Value of rateable land - residential                           | \$2,908,365,000 |
|  |  | Value of rateable land - primary production                    | \$486,285,000   |
|  |  | Value of rateable land - industrial                            | \$27,057,000    |
|  |  | Value of rateable land - commercial                            | \$296,882,000   |
|  |  | Value of rateable land - vacant                                | \$392,134,000   |
|  |  | Value of rateable land - other                                 | \$125,051,000   |
|  |  | Value of rateable land - Total                                 | \$4,235,773,000 |

| Criteria                         | Indicator  | Measure  | East Coast   |
|----------------------------------|--|--|--------------|
| Financial Sustainability (cont.) | Estimation of theoretical rate revenue applying current rates  | Estimated rate revenue - residential                                 | \$6,697,000  |
|                                  |  | Estimated rate revenue - primary production                          | \$1,516,000  |
|                                  |  | Estimated rate revenue - industrial                                  | \$188,000    |
|                                  |  | Estimated rate revenue - commercial                                  | \$1,252,000  |
|                                  |  | Estimated rate revenue - vacant                                      | \$1,334,000  |
|                                  |  | Estimated rate revenue - other                                       | \$79,000     |
|                                  |  | Estimated rate revenue - Total                                       | \$11,067,000 |
|                                  | Estimated % revenue as a share of land value by land-use class | Estimated rate revenue as a share of land value - residential        | 0.23         |
|                                  |  | Estimated rate revenue as a share of land value - primary production | 0.31         |
|                                  |  | Estimated rate revenue as a share of land value - industrial         | 0.69         |
|                                  |  | Estimated rate revenue as a share of land value - commercial         | 0.42         |
|                                  |  | Estimated rate revenue as a share of land value - vacant             | 0.34         |
|                                  |  | Estimated rate revenue as a share of land value - other              | 0.06         |
|                                  |  | Estimated rate revenue as a share of land value - Total              | 0.26         |
|                                  | Road Infrastructure  | Km of council roads - unsealed                                       | 290.3        |
| Km of council roads - sealed     |  | 244.2  |              |

## South East



### Description

The proposed South East Council combines the existing LGAs of Sorell, Tasman, and Glamorgan Spring Bay with the exception of Bicheno and Freycinet National Park, which join the East Coast Council. This consolidation recognises the strong existing service and employment links between smaller communities on the South East Coast and the larger regional centre of Sorell.

### Criterion 1: Place and Representation

The existing LGAs of Tasman, Sorell, and Glamorgan-Spring Bay already have long-established administrative, resident movement, and cultural connections with each other, but they exhibit only relatively weak employment or commuting links with more northern parts of the East Coast. These connections, and the absence of strong links with the rest of the coast, make this combination a natural community of interest. Sorell is increasingly emerging as a key regional service and employment hub for much of the lower East Coast, while at the same time functioning as an important 'satellite' commuter suburb of Hobart, with almost 3,000 residents of the Sorell ABS Statistical Area 2 (SA2) commuting to the city for work on a daily basis. These councils already engage in regional collaboration via, for example, the Southern Tasmanian Councils Authority (STCA) and Business and Employment Southeast Tasmania (BEST).

### Key evidence:

- Population: 22,768
- Median Age: 46.3
- Population living at different address 5 years ago: 34.8%
- SEIFA decile: 4

### Criterion 2: Future Needs and Priorities

This region – especially the areas of Midway Point, the outskirts of Sorell, and the Southern Beaches – is one of the fastest growing in the state and indeed in the country. Over the ten years to 2021, population increased by 22% and an estimated 1,596 new dwellings were completed (an increase of around 14%). As well as increasing and diversifying the proposed council's rate base, however, this rapid expansion has posed challenges for strategic regional infrastructure and



asset planning. As new development applications and subdivisions show little sign of slowing, growing pains will likely remain an issue for the foreseeable future in this area.

**Key evidence:**

- Population change 2011-21: 4,167
- Dwelling vacancy rate: 21.6%
- Population under age 15: 16.7%
- Population over age 65: 24.1%
- 10-year change in median age: 2.5 years

**Criterion 3: Financial Sustainability**

This council’s size and rapid growth suggest that it will likely enjoy a considerable improvement on the financial capacity of its current constituent councils. It will further benefit from economies of scale in service provision arising from participation in shared services and expanded regional partnership arrangements.

**Key evidence:**

- Estimated total value of rateable land: \$9,159,557,000
- Estimated rate revenue: \$23,530,000
- Length of sealed roads managed by council: 392.2km
- Length of unsealed roads managed by council: 400.7km

**Criterion 4: Operational Capability**

This council’s size and proximity to Hobart will likely provide the requisite scale, capacity, and access to specialist staff to ensure that will enjoy an adequate and sustainable level of operation capability. Where gaps in specific technical expertise or service provision capacity arise, shared services arrangements will ensure they

can be procured from larger or more capable neighbouring authorities.

**Key evidence:**

- 92.4% of residents would be within a 30-minute drive of a service hub.
- 0% of the population would be in urban areas of 10,000 or greater.

**Key issues for consultation and technical analysis**

Investigation of this potential new council was supported by both Sorell and Glamorgan–Spring Bay Councils. Sorell Council also sought to consider including adding Cambridge and the airports, which are currently part of City of Clarence Council. Neither Tasman Council nor City of Clarence Council support any change to their current boundaries. There is also strong opposition in the Tasman community to any change to council boundaries.

While the Board sees this new proposed East Coast Council as the most sustainable solution for the region, it understands that this is unlikely to occur voluntarily due to opposition on the Tasman Peninsula. Nevertheless, an option that merges Sorell Council and most of the Glamorgan–Spring Bay Council would be a strong step towards the creation of an East Coast Council with scale and capability.

A key unresolved issue is the appropriate location of its northern boundary. This report shows it falling to the east of Dolphin Sands, but there would be a number of feasible options in the vicinity of Bicheno, Coles Bay, Freycinet, Dolphin Sands and Swansea. The table below shows the impact of a new South East Coast Council that does not include Swansea and the areas to the east. There should be further analysis and community consultation to identify the most suitable boundary if specific boundary changes are being considered.

Table 10: Impact of excluding Swansea from a new South East Council.

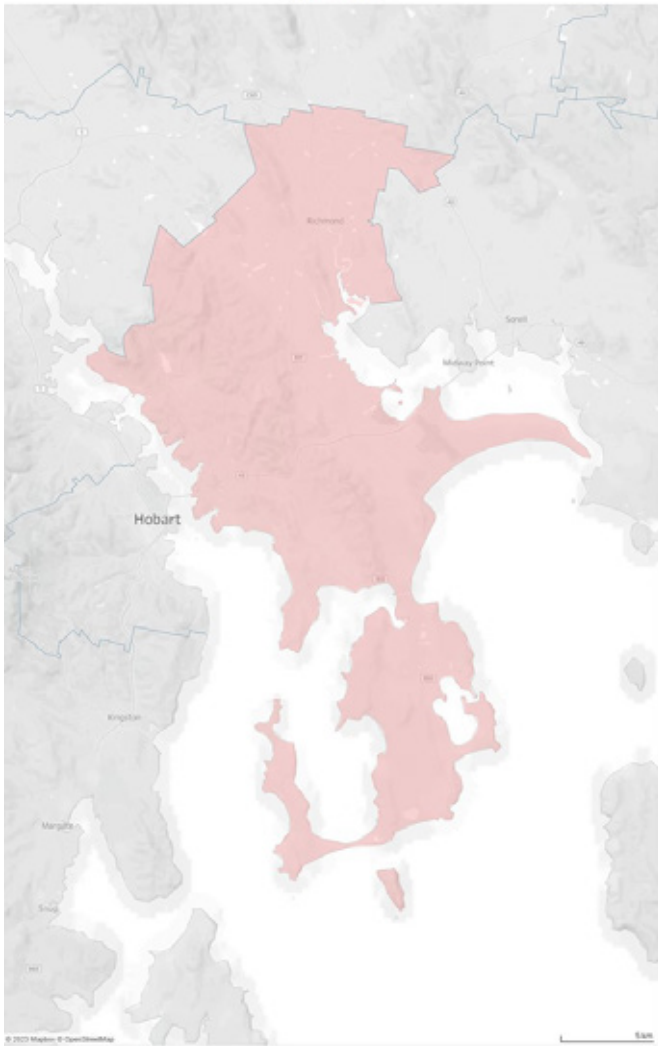
| Measure                        | South East      | South East without Swansea | % change |
|--------------------------------|-----------------|----------------------------|----------|
| Population                     | 22,768          | 19,052                     | -16%     |
| Total dwellings                | 12,832          | 11,825                     | -8%      |
| Value of rateable land - Total | \$9,159,557,000 | \$7,738,837,000            | -16%     |
| Estimated rate revenue - Total | \$23,530,000    | \$19,929,000               | -15%     |
| Km of council roads - unsealed | 400.7           | 344.6                      | -14%     |
| Km of council roads - sealed   | 392.2           | 335.8                      | -14%     |

## Full data table

| Criteria                               | Indicator  | Measure  | South East      |
|--|--|--|-----------------|
| Overview                               | Demographic  | Population   | 22,768          |
|  |  | Median age   | 46.3            |
|  | Income and Employment                                    | SEIFA IRSAD Score  | 935.6           |
|  |  | SEIFA IRSAD Decile   | 4               |
|  | Housing  | Total dwellings  | 12,832          |
|  |  | No. of single person households                                | 2,644           |
| % dwellings unoccupied on Census night |  | 21.6   |                 |
| Place and Representation               | Established administrative, commercial and service hub/s | % of population within 30 mins of administrative hub           | 92.4            |
|  |  | % of population within 60 mins of administrative hub           | 99.9            |
|  |  | % of population within 60 plus mins of administrative hub      | 0.1             |
|  | Urbanisation   | % of population in urban areas of population 10,000 or greater | 0.0             |
|  | Mobility/ Migration                                      | % of population living at a different address 5 years ago      | 34.8            |
| Future Needs and Priorities            | Population growth  | Ten-year population change (2011-21)                           | 4,167           |
|  | Housing supply and infrastructure demand                 | Ten-year change in total dwelling numbers (2011-21)            | 1,596           |
|  | Employment growth  | Ten-year per cent change in resident labour force (2011-21)    | 24.7            |
|  | Older/aging communities                                  | Ten-year change in median age                                  | 2.5             |
|  |  | % Population over 65   | 24.1            |
| Younger communities                    | % Population under 15                                    | 16.7   |                 |
| Financial Sustainability               | Value of rateable land                                   | Value of rateable land - residential                           | \$7,003,776,000 |
|  |  | Value of rateable land - primary production                    | \$840,691,000   |
|  |  | Value of rateable land - industrial                            | \$39,141,000    |
|  |  | Value of rateable land - commercial                            | \$319,237,000   |
|  |  | Value of rateable land - vacant                                | \$788,320,000   |
|  |  | Value of rateable land - other                                 | \$168,392,000   |
|  |  | Value of rateable land - Total                                 | \$9,159,557,000 |

| Criteria                         | Indicator  | Measure  | South East   |
|----------------------------------|--|--|--------------|
| Financial Sustainability (cont.) | Estimation of theoretical rate revenue applying current rates  | Estimated rate revenue - residential                                 | \$16,677,000 |
|                                  |  | Estimated rate revenue - primary production                          | \$1,936,000  |
|                                  |  | Estimated rate revenue - industrial                                  | \$168,000    |
|                                  |  | Estimated rate revenue - commercial                                  | \$1,887,000  |
|                                  |  | Estimated rate revenue - vacant                                      | \$2,744,000  |
|                                  |  | Estimated rate revenue - other                                       | \$119,000    |
|                                  |  | Estimated rate revenue - Total                                       | \$23,530,000 |
|                                  | Estimated % revenue as a share of land value by land-use class | Estimated rate revenue as a share of land value - residential        | 0.24         |
|                                  |  | Estimated rate revenue as a share of land value - primary production | 0.23         |
|                                  |  | Estimated rate revenue as a share of land value - industrial         | 0.43         |
|                                  |  | Estimated rate revenue as a share of land value - commercial         | 0.59         |
|                                  |  | Estimated rate revenue as a share of land value - vacant             | 0.35         |
|                                  |  | Estimated rate revenue as a share of land value - other              | 0.07         |
|                                  |  | Estimated rate revenue as a share of land value - Total              | 0.26         |
|                                  | Road Infrastructure  | Km of council roads - unsealed                                       | 400.7        |
| Km of council roads - sealed     |  | 392.2  |              |

# Clarence



## Description

Aside from King Island and Flinders (given their very distinctive and specific needs), Clarence is the only council area for which no boundary changes have been proposed.

## Criterion 1: Place and Representation

Although a very large share of Clarence residents work in the city of Hobart, the Eastern Shore is sufficiently culturally, demographically, and geographically distinctive to merit the retention of its own council.

### Key evidence:

- Population: 61,465
- Median Age: 42.2
- Population living at different address 5 years ago: 34%
- SEIFA decile: 8

## Criterion 2: Future Needs and Priorities

Like the proposed South East Council, this area is currently growing very rapidly. At just slightly less than 16%, growth in dwellings over the past ten years poses challenges for infrastructure planning and community service provision. The most rapidly expanding areas of Howrah, Rokeby, Tranmere, and the Coal River Valley are particular pressure points. Providing adequate built and social infrastructure to accommodate this growth will require concerted action from local and state government in close collaboration with communities, and industry. Adapting to climate change also represents a significant and growing challenge on the Eastern Shore. The area's many low-lying suburbs (Lauderdale and Cremorne, for example) will become increasingly vulnerable to inundation and coastal erosion as sea levels rise and extreme weather events become more frequent and intense.

### Key evidence:

- Population change 2011-21: 9,631
- Dwelling vacancy rate: 5.7%
- Population under age 15: 17.9%
- Population over age 65: 20.8%
- 10-year change in median age: 0.7 years

## Criterion 3: Financial Sustainability

This area's large rate base, relatively small geographical size, and dense urban areas mean that it will likely be capable of producing sustainable own-source revenues over the long term while providing a high quality and broad range of services.

**Key evidence:**

- Estimated total value of rateable land: \$21,226,403,000
- Estimated rate revenue: \$46,583,000
- Length of sealed roads managed by council: 461.8km
- Length of unsealed roads managed by council: 40.6km

**Criterion 4: Operational Capability**

Clarence's central location, density, amenity, and size mean that it is well-placed to attract and retain key specialist or technical skills relative to many other parts of the state. It is also likely that, as a larger and more capable council, it will have capability to act as a key provider of shared services to other councils in the region, particularly the proposed South East configuration.

**Key evidence:**

- 97.8% of residents would be within a 30-minute drive of a major service hub.
- 87.2% of the population would be in urban areas of 10,000 or greater.

**Key issues for consultation and technical analysis**

While the Board is not proposing any changes to Clarence City Council boundaries, it considers it important for the council to increase its collaboration with the other Greater Hobart councils on longer-term and more effective regional strategic and land-use planning.

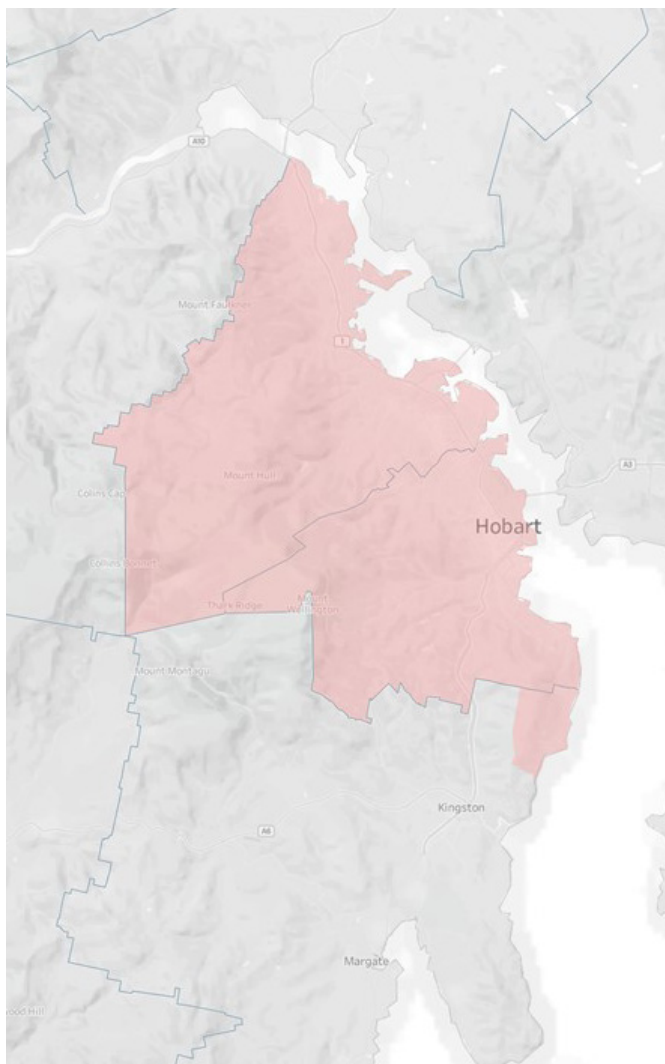


## Full data table

| Criteria                               | Indicator  | Measure  | Clarence         |
|--|--|--|------------------|
| Overview                               | Demographic  | Population   | 61,465           |
|  |  | Median age   | 42.2             |
|  | Income and Employment                                    | SEIFA IRSAD Score  | 989.1            |
|  |  | SEIFA IRSAD Decile   | 8                |
|  | Housing  | Total dwellings  | 25,924           |
|  |  | No. of single person households                                | 6,239            |
| % dwellings unoccupied on Census night |  | 5.7  |                  |
| Place and Representation               | Established administrative, commercial and service hub/s | % of population within 30 mins of administrative hub           | 97.8             |
|  |  | % of population within 60 mins of administrative hub           | 100.0            |
|  |  | % of population within 60 plus mins of administrative hub      | 0.0              |
|  | Urbanisation   | % of population in urban areas of population 10,000 or greater | 87.2             |
|  | Mobility/ Migration                                      | % of population living at a different address 5 years ago      | 34.0             |
| Future Needs and Priorities            | Population growth  | Ten-year population change (2011-21)                           | 9,631            |
|  | Housing supply and infrastructure demand                 | Ten-year change in total dwelling numbers (2011-21)            | 3,569            |
|  | Employment growth  | Ten-year per cent change in resident labour force (2011-21)    | 22.8             |
|  | Older/aging communities                                  | Ten-year change in median age                                  | 0.7              |
|  |  | % Population over 65   | 20.8             |
| Younger communities                    | % Population under 15                                    | 17.9   |                  |
| Financial Sustainability               | Value of rateable land                                   | Value of rateable land - residential                           | \$17,506,737,000 |
|  |  | Value of rateable land - primary production                    | \$257,468,000    |
|  |  | Value of rateable land - industrial                            | \$468,465,000    |
|  |  | Value of rateable land - commercial                            | \$1,611,138,000  |
|  |  | Value of rateable land - vacant                                | \$747,304,000    |
|  |  | Value of rateable land - other                                 | \$635,292,000    |
|  |  | Value of rateable land - Total                                 | \$21,226,403,000 |

| Criteria                         | Indicator  | Measure  | Clarence     |
|----------------------------------|--|--|--------------|
| Financial Sustainability (cont.) | Estimation of theoretical rate revenue applying current rates  | Estimated rate revenue - residential                                 | \$36,185,000 |
|                                  |  | Estimated rate revenue - primary production                          | \$452,000    |
|                                  |  | Estimated rate revenue - industrial                                  | \$2,230,000  |
|                                  |  | Estimated rate revenue - commercial                                  | \$4,996,000  |
|                                  |  | Estimated rate revenue - vacant                                      | \$1,558,000  |
|                                  |  | Estimated rate revenue - other                                       | \$1,162,000  |
|                                  |  | Estimated rate revenue - Total                                       | \$46,583,000 |
|                                  | Estimated % revenue as a share of land value by land-use class | Estimated rate revenue as a share of land value - residential        | 0.21         |
|                                  |  | Estimated rate revenue as a share of land value - primary production | 0.18         |
|                                  |  | Estimated rate revenue as a share of land value - industrial         | 0.48         |
|                                  |  | Estimated rate revenue as a share of land value - commercial         | 0.31         |
|                                  |  | Estimated rate revenue as a share of land value - vacant             | 0.21         |
|                                  |  | Estimated rate revenue as a share of land value - other              | 0.18         |
|                                  |  | Estimated rate revenue as a share of land value - Total              | 0.22         |
|                                  | Road Infrastructure  | Km of council roads - unsealed                                       | 40.6         |
| Km of council roads - sealed     |  | 461.8  |              |

## Western Shore



### Description

This proposal combines the two existing LGAs of Hobart and Glenorchy into a single council, extending south down the Channel Highway as far as the Shot Tower to include the suburb of Taroona.

### Criterion 1: Place and Representation

While Glenorchy and Hobart have some important demographic and economic differences, their similarities are more numerous and compelling. For example, they have similar proportions of working age people, Australian citizens and people who speak a language other than English. Crucially, the links between the two areas have become more marked over time. Where Hobart and Glenorchy may once have been highly distinctive communities with a clear rationale for separate local governance, today they are increasingly connected in terms of employment and transport. Likewise with the suburb of Taroona to Hobart's south: the very clear connection of Taroona residents with central Hobart rather than south to Kingborough makes a strong case for consolidation.

### Key evidence:

- Population: 108,302
- Median Age: 38.5
- Population living at different address 5 years ago: 40.2%
- SEIFA decile: 8

### Criterion 2: Future Needs and Priorities

The council proposed under this consolidation scenario would have access to better resources and capabilities to respond to current and emerging community needs, including in the areas of planning, housing, transport, and climate change mitigation. Hobart's Western Shore remains the foremost centre of economic activity in Tasmania, having experienced 22% employment growth over the last decade. While a combined council creates opportunities, it also poses distributional and equity challenges. For example, Glenorchy and Hobart LGAs have quite different rates bases and service offerings. Removing unnecessary structural and administrative divisions should help address this challenge and promote a more consistent standard of community services across the entire Hobart community.

Importantly, combining these two entities into a single council, with the inclusion of Taroona, will allow for far more streamlined, coordinated strategic regional and land-use planning than is currently the case. For both Hobart and Glenorchy, rapidly increasing housing and population density through infill development is currently a key priority, and a larger organisation would likely be able to coordinate this growth more easily. Finally, the consolidation of these councils into a single entity would assist with the implementation of important ongoing initiatives such as the Southern Tasmania Regional Land Use Strategy and the Derwent Estuary Program.

Finally, and in addition to its growing population and labour force, a Western Shore Council would be the only one in the state to have seen a decline in median age between 2011 and 2021 (to 38.5 years), largely due to strong international migration.

**Key evidence:**

- Population change 2011–21: 12,042
- Dwelling vacancy rate: 7.4%
- Population under age 15: 15.8%
- Population over age 65: 17.8%
- 10-year change in median age: -0.6 years

**Criterion 3: Financial Sustainability**

The Western Shore Council proposed here would be the most populous in the state and would have access to a broad and diverse rate base featuring a good balance of residential and non-residential land uses. It would also likely enjoy the benefit of considerable economies of scope and scale in administrative ‘back office’ and professional or technical specialisations.

**Key evidence:**

- Estimated total value of rateable land: \$39,653,982,000
- Estimated rate revenue: \$116,014,000
- Length of sealed roads managed by council: 617.4km
- Length of unsealed roads managed by council: 22.1km

**Criterion 4: Operational Capability**

This council’s size and financial capacity suggest that it is unlikely to face major difficulties securing adequate operational capability. Moreover, Western Shore would be very well placed to act as a key provider of shared services to some of its less populous and capable neighbours.

**Key evidence:**

- 100% of residents would be within a 30-minute drive of a major service hub.
- 97.9% of the population would be in urban areas of 10,000 or greater.

**Key issues for consultation and technical analysis**

Both City of Hobart and Glenorchy City Councils have expressed interest in exploring the benefits of council consolidation. Kingborough Council has agreed to the investigation of transferring Taroona to a council to the north as part of an investigation of merging Kingborough with Huon Valley Councils.

Aligning the rating strategies and service offerings of the two main component councils will need careful consideration when investigating a merger.

Increased coordination with the other ‘Greater Hobart’ councils, including through the Greater Hobart Act, will be important to ensuring longer-term and more effective regional strategic and land-use planning.

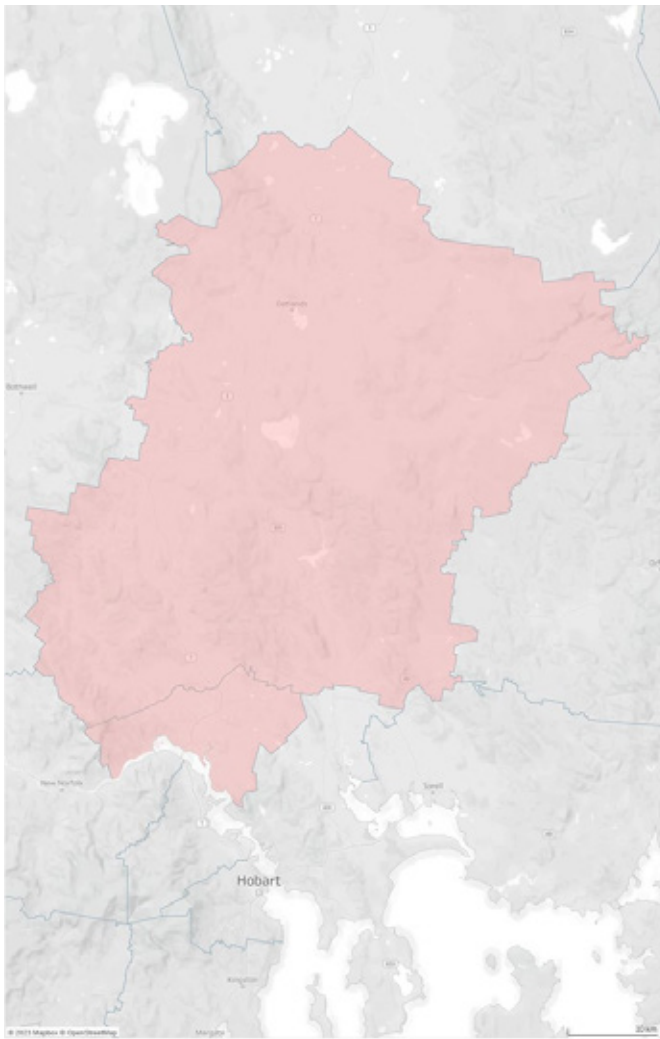
## Full data table

| Criteria                               | Indicator  | Measure  | Western Shore    |
|--|--|--|------------------|
| Overview                               | Demographic  | Population   | 108,302          |
|  |  | Median age   | 38.5             |
|  | Income and Employment                                    | SEFIA IRSAD Score  | 992.2            |
|  |  | SEIFA IRSAD Decile   | 8                |
|  | Housing  | Total dwellings  | 46,604           |
|  |  | No. of single person households                                | 12,991           |
| % dwellings unoccupied on Census night |  | 7.4  |                  |
| Place and Representation               | Established administrative, commercial and service hub/s | % of population within 30 mins of administrative hub           | 100.0            |
|  |  | % of population within 60 mins of administrative hub           | 100.0            |
|  |  | % of population within 60 plus mins of administrative hub      | 0.0              |
|  | Urbanisation   | % of population in urban areas of population 10,000 or greater | 97.9             |
|  | Mobility/ Migration                                      | % of population living at a different address 5 years ago      | 40.2             |
| Future Needs and Priorities            | Population growth  | Ten-year population change (2011-21)                           | 12,042           |
|  | Housing supply and infrastructure demand                 | Ten-year change in total dwelling numbers (2011-21)            | 3,090            |
|  | Employment growth  | Ten-year per cent change in resident labour force (2011-21)    | 21.5             |
|  | Older/aging communities                                  | Ten-year change in median age                                  | -0.6             |
|  |  | % Population over 65   | 17.8             |
| Younger communities                    | % Population under 15                                    | 15.8   |                  |
| Financial Sustainability               | Value of rateable land                                   | Value of rateable land - residential                           | \$28,171,205,000 |
|  |  | Value of rateable land - primary production                    | \$21,983,000     |
|  |  | Value of rateable land - industrial                            | \$975,734,000    |
|  |  | Value of rateable land - commercial                            | \$6,310,718,000  |
|  |  | Value of rateable land - vacant                                | \$453,922,000    |
|  |  | Value of rateable land - other                                 | \$3,720,420,000  |
|  |  | Value of rateable land - Total                                 | \$39,653,982,000 |



| Criteria                         | Indicator  | Measure  | Western Shore |
|----------------------------------|--|--|---------------|
| Financial Sustainability (cont.) | Estimation of theoretical rate revenue applying current rates  | Estimated rate revenue - residential                                 | \$74,840,000  |
|                                  |  | Estimated rate revenue - primary production                          | \$57,000      |
|                                  |  | Estimated rate revenue - industrial                                  | \$4,721,000   |
|                                  |  | Estimated rate revenue - commercial                                  | \$30,627,000  |
|                                  |  | Estimated rate revenue - vacant                                      | \$1,185,000   |
|                                  |  | Estimated rate revenue - other                                       | \$4,584,000   |
|                                  |  | Estimated rate revenue - Total                                       | \$116,014,000 |
|                                  | Estimated % revenue as a share of land value by land-use class | Estimated rate revenue as a share of land value - residential        | 0.27          |
|                                  |  | Estimated rate revenue as a share of land value - primary production | 0.26          |
|                                  |  | Estimated rate revenue as a share of land value - industrial         | 0.48          |
|                                  |  | Estimated rate revenue as a share of land value - commercial         | 0.49          |
|                                  |  | Estimated rate revenue as a share of land value - vacant             | 0.26          |
|                                  |  | Estimated rate revenue as a share of land value - other              | 0.12          |
|                                  |  | Estimated rate revenue as a share of land value - Total              | 0.29          |
|                                  | Road Infrastructure  | Km of council roads - unsealed                                       | 22.1          |
| Km of council roads - sealed     |  | 617.4  |               |

# Central Southern



## Description

This proposal combines the current Brighton and Southern Midlands LGAs in their entirety. The resulting Central Southern Council extends from the north eastern bank of the Derwent River at Old Beach to Tunbridge in the central Midlands.

## Criterion 1: Place and Representation

The key rationale underpinning this consolidation proposal is the strong employment, service, and commuting connections between the current Southern Midlands LGA and the population centres of Brighton, Bridgewater, and Gagebrook. As well as important economic, demographic, geographic, and industrial similarities, the two existing councils combined in this proposal already enjoy a close partnership and well-developed service sharing relationships.

### Key evidence:

- Population: 25,646
- Median Age: 37.5
- Population living at different address 5 years ago: 31.3%
- SEIFA decile: 2

## Criterion 2: Future Needs and Priorities

The southern part of this region has experienced rapid population growth and development in recent years. The increase in dwellings seen in this area is the highest of any consolidation scenario proposed in this report at 21.4% (some 1,853 new dwellings). Population growth has likewise been very strong, at 19.2%. Rapid expansion has also brought growing pains and contributed to urban sprawl that is beginning to impact significantly on transport infrastructure both locally and in neighbouring Glenorchy. These impacts will need to be carefully managed through more collaborative and systematic approaches to regional strategic planning among all of the southern Tasmanian councils to ensure that development is occurring at the right scale in the right places.

**Key evidence:**

- Population change 2011-21: 4,138
- Dwelling vacancy rate: 6.4%
- Population under age 15: 22.8%
- Population over age 65: 14.8%
- 10-year change in median age: 1.8 years

**Criterion 3: Financial Sustainability**

The council proposed here would be among the more populous regional councils in the state and would have access to a reasonably broad and diverse rate base featuring a good balance of residential and non-residential land uses. It would also likely enjoy the benefit of considerable economies of scope and scale in administrative and professional or technical specialisations, suggesting ample financial capacity to ensure that it remains sustainable over the long term.

**Key evidence:**

- Estimated total value of rateable land: \$6,414,851,000
- Estimated rate revenue: \$13,667,000
- Length of sealed roads managed by council: 364.9km
- Length of unsealed roads managed by council: 577.7km

**Criterion 4: Operational Capability**

Brighton Council has a history of providing services to other local governments, suggesting a high level of capability. Given their strong existing partnership arrangements (in both directions), the consolidation with Southern Midlands Council is likely to enhance this existing capacity and capability. The Central Southern Council would therefore be well-placed to remain a key shared services provider to a number of its neighbours.

**Key evidence:**

- 98.1% of residents would be within a 30-minute drive of a major service hub.
- 61.8% of the population would be in urban areas of 10,000 or greater.

**Key issues for consultation and technical analysis**

Both Southern Midlands and Brighton Councils are opposed to mergers. Brighton Council appears to have community support for this position. Brighton Council has stated that if mandatory amalgamations were imposed on it, it would see amalgamating with Southern Midlands as the least worst scenario.

If this new council were to be established, careful attention would need to be paid to the rating regime. Unlike Southern Midlands Council, Brighton Council currently has a 'flat rate' regime which is quite unusual in Tasmania.

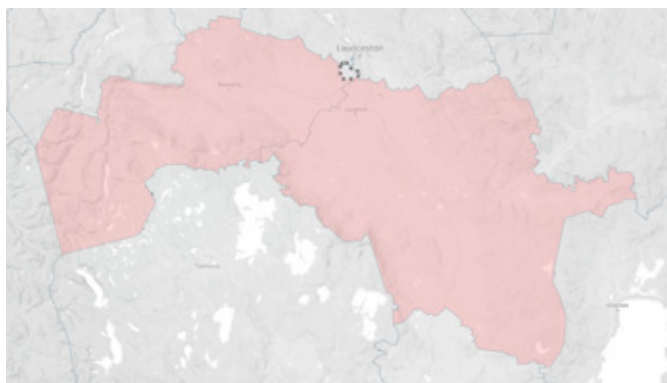
## Full data table

| Criteria                               | Indicator  | Measure  | Central Southern |
|--|--|--|------------------|
| Overview                               | Demographic  | Population   | 25,646           |
|  |  | Median age   | 37.5             |
|  | Income and Employment                                    | SEFIA IRSAD Score  | 875.0            |
|  |  | SEIFA IRSAD Decile   | 2                |
|  | Housing  | Total dwellings  | 10,499           |
|  |  | No. of single person households                                | 2,126            |
| % dwellings unoccupied on Census night |  | 6.4  |                  |
| Place and Representation               | Established administrative, commercial and service hub/s | % of population within 30 mins of administrative hub           | 98.1             |
|  |  | % of population within 60 mins of administrative hub           | 100.0            |
|  |  | % of population within 60 plus mins of administrative hub      | 0.0              |
|  | Urbanisation   | % of population in urban areas of population 10,000 or greater | 61.8             |
|  | Mobility/ Migration                                      | % of population living at a different address 5 years ago      | 31.3             |
| Future Needs and Priorities            | Population growth  | Ten-year population change (2011-21)                           | 4138             |
|  | Housing supply and infrastructure demand                 | Ten-year change in total dwelling numbers (2011-21)            | 1,853            |
|  | Employment growth  | Ten-year per cent change in resident labour force (2011-21)    | 29.9             |
|  | Older/aging communities                                  | Ten-year change in median age                                  | 1.8              |
|  |  | % Population over 65   | 14.8             |
| Younger communities                    | % Population under 15                                    | 22.8   |                  |
| Financial Sustainability               | Value of rateable land                                   | Value of rateable land - residential                           | \$4,643,041,000  |
|  |  | Value of rateable land - primary production                    | \$1,005,255,000  |
|  |  | Value of rateable land - industrial                            | \$167,721,000    |
|  |  | Value of rateable land - commercial                            | \$175,116,000    |
|  |  | Value of rateable land - vacant                                | \$281,167,000    |
|  |  | Value of rateable land - other                                 | \$142,552,000    |
|  |  | Value of rateable land - Total                                 | \$6,414,851,000  |

| Criteria                         | Indicator  | Measure  | Central Southern |
|----------------------------------|--|--|------------------|
| Financial Sustainability (cont.) | Estimation of theoretical rate revenue applying current rates  | Estimated rate revenue - residential                                 | \$9,464,000      |
|                                  |  | Estimated rate revenue - primary production                          | \$2,117,000      |
|                                  |  | Estimated rate revenue - industrial                                  | \$530,000        |
|                                  |  | Estimated rate revenue - commercial                                  | \$677,000        |
|                                  |  | Estimated rate revenue - vacant                                      | \$691,000        |
|                                  |  | Estimated rate revenue - other                                       | \$198,000        |
|                                  |  | Estimated rate revenue - Total                                       | \$13,677,000     |
|                                  | Estimated % revenue as a share of land value by land-use class | Estimated rate revenue as a share of land value - residential        | 0.20             |
|                                  |  | Estimated rate revenue as a share of land value - primary production | 0.21             |
|                                  |  | Estimated rate revenue as a share of land value - industrial         | 0.32             |
|                                  |  | Estimated rate revenue as a share of land value - commercial         | 0.39             |
|                                  |  | Estimated rate revenue as a share of land value - vacant             | 0.25             |
|                                  |  | Estimated rate revenue as a share of land value - other              | 0.14             |
|                                  |  | Estimated rate revenue as a share of land value - Total              | 0.21             |
|                                  | Road Infrastructure  | Km of council roads - unsealed                                       | 577.7            |
| Km of council roads - sealed     |  | 364.9  |                  |



# Central Northern



## Description

This proposal combines most of the existing Meander Valley and Northern Midlands LGAs into a single council area. The only boundary change under this consolidation scenario is the transfer of two Launceston suburbs, Prospect Vale and Blackstone Heights, to the new Tamar Valley Council.

## Criterion 1: Place and Representation

This council would cover a large area taking in several small- and medium-sized regional communities, notably Deloraine, Westbury, Longford, Evandale, and Campbell Town. While distant geographically, these communities do share considerable demographic similarities, service needs, and a strong focus on agricultural production.

## Key evidence

- Population: 27,671
- Median Age: 45.7
- Population living at different address 5 years ago: 31.4%
- SEIFA decile: 4

## Criterion 2: Future Needs and Priorities

The large area covered by this council, as well as the remoteness and relative inaccessibility of some of its smaller communities, currently pose challenges for both of its constituent councils and would continue to require careful management under a consolidated council. A further issue that will require careful management is rapid but uneven population growth, creating pressure on infrastructure and asset management, especially in areas close to Launceston.

## Key evidence

- Population change 2011-21: 2,844
- Dwelling vacancy rate: 8.7%
- Population under age 15: 18.2%
- Population over age 65: 23.1%
- 10-year change in median age: 2.7 years

### Criterion 3: Financial Sustainability

Although the increased size of this council area will add some depth and breadth to its residential and non-residential rates bases (particularly primary production), its population remains relatively small and very widely dispersed by comparison to some other proposed consolidated councils. As a result, it will likely continue to face considerable demographic and geographic cost pressures on service provision expenditure.

#### Key evidence

- Estimated total value of rateable land: \$10,225,309,000
- Estimated rate revenue: \$21,604,000
- Length of sealed roads managed by council: 1,081km
- Length of unsealed roads managed by council: 620.2km

### Criterion 4: Operational Capability

While its increased size and revenue will doubtless contribute to increased operational capacity in this consolidation scenario, it is likely that a new Central Northern Council will still rely on shared services and regional partnership arrangements with neighbours like the new Tamar Valley Council to bolster its service provision capacity in some areas.

#### Key evidence

- 92.4% of residents would be within a 30-minute drive of a service hub.
- 0% of the population would be in urban areas of 10,000 or greater.

### Key issues for consultation and technical analysis

Both Meander Valley Council and Northern Midlands Council oppose any change to their boundaries, and they appear to have significant community support for their positions. Northern Midlands Council has stated that if it were forced to amalgamate, it would prefer to merge with Meander Valley Council rather than other scenarios, because of its similar geography, demographics and community of interest, and a history of shared service arrangements.

Prospect Vale and Blackstone Heights, which are currently part of Meander Valley Council, have been proposed to be included in the new Tamar Valley Council rather than the new Central Northern Council. While these localities are clearly part of the continuous urban area of Launceston, if boundary changes were being explored, further consideration should be given to whether they should be included in the new Central Northern Council. The table below shows the impact of a new Central Northern Council including Prospect Vale and Blackstone Heights.

Table 11: Impact of including Prospect Vale and Blackstone Heights in a new Central Northern Council.

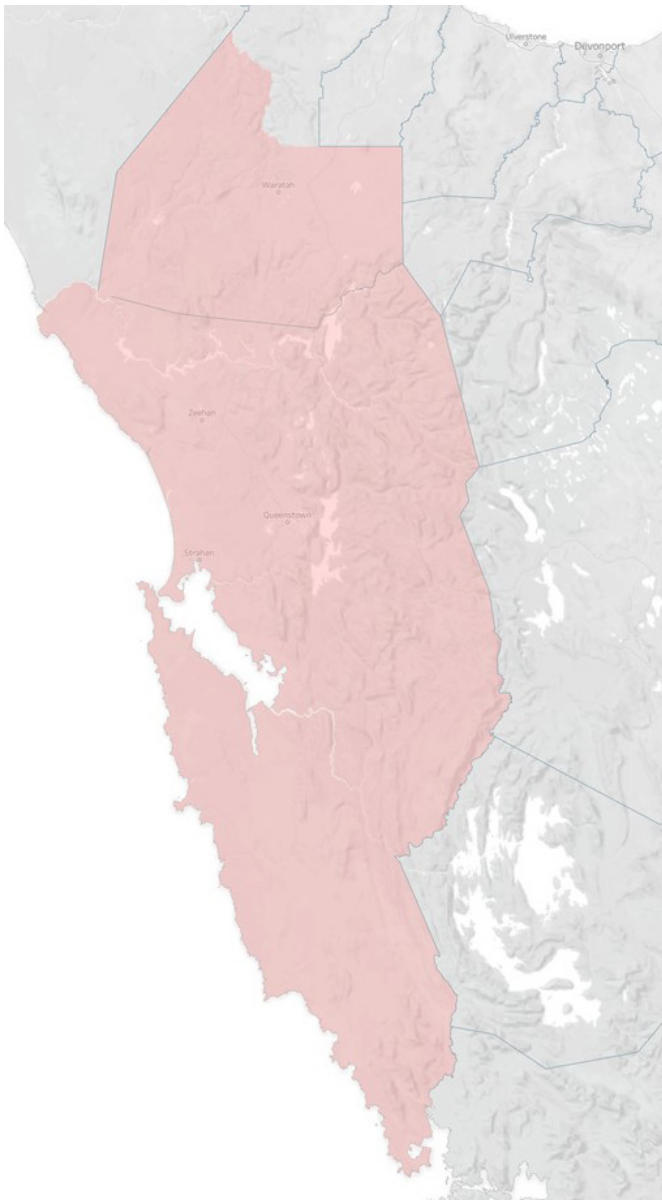
| Measure                        | Central Northern | Central Northern with Prospect Vale and Blackstone Heights | % change |
|--------------------------------|------------------|--|----------|
| Population                     | 27,671           | 34,676   | +25%     |
| Total dwellings                | 12,903           | 15,953   | +24%     |
| Value of rateable land - Total | \$10,225,309,000 | \$12,013,291,000   | +17%     |
| Estimated rate revenue - Total | \$21,604,000     | \$25,093,000   | +16%     |
| Km of council roads - unsealed | 620.2            | 620.3  | 0%       |
| Km of council roads - sealed   | 1,081.0          | 1,125.7  | +4%      |

## Full data table

| Criteria                               | Indicator  | Measure  | Central Northern |
|--|--|--|------------------|
| Overview                               | Demographic  | Population   | 27,671           |
|  |  | Median age   | 45.7             |
|  | Income and Employment                                    | SEFIA IRSAD Score  | 928.9            |
|  |  | SEIFA IRSAD Decile   | 4                |
|  | Housing  | Total dwellings  | 12,903           |
|  |  | No. of single person households                                | 3,057            |
| % dwellings unoccupied on Census night |  | 8.7  |                  |
| Place and Representation               | Established administrative, commercial and service hub/s | % of population within 30 mins of administrative hub           | 92.4             |
|  |  | % of population within 60 mins of administrative hub           | 99.6             |
|  |  | % of population within 60 plus mins of administrative hub      | 0.4              |
|  | Urbanisation   | % of population in urban areas of population 10,000 or greater | 0.0              |
|  | Mobility/ Migration                                      | % of population living at a different address 5 years ago      | 31.4             |
| Future Needs and Priorities            | Population growth  | Ten-year population change (2011-21)                           | 2,844            |
|  | Housing supply and infrastructure demand                 | Ten-year change in total dwelling numbers (2011-21)            | 1,662            |
|  | Employment growth  | Ten-year per cent change in resident labour force (2011-21)    | 14.0             |
|  | Older/aging communities                                  | Ten-year change in median age                                  | 2.7              |
|  |  | % Population over 65   | 23.1             |
| Younger communities                    | % Population under 15                                    | 18.2   |                  |
| Financial Sustainability               | Value of rateable land                                   | Value of rateable land - residential                           | \$4,926,790,000  |
|  |  | Value of rateable land - primary production                    | \$4,065,041,000  |
|  |  | Value of rateable land - industrial                            | \$338,534,000    |
|  |  | Value of rateable land - commercial                            | \$268,318,000    |
|  |  | Value of rateable land - vacant                                | \$348,993,000    |
|  |  | Value of rateable land - other                                 | \$277,633,000    |
|  |  | Value of rateable land - Total                                 | \$10,225,309,000 |

| Criteria                         | Indicator  | Measure  | Central Northern |
|----------------------------------|--|--|------------------|
| Financial Sustainability (cont.) | Estimation of theoretical rate revenue applying current rates  | Estimated rate revenue - residential                                 | \$12,233,000     |
|                                  |  | Estimated rate revenue - primary production                          | \$5,443,000      |
|                                  |  | Estimated rate revenue - industrial                                  | \$1,814,000      |
|                                  |  | Estimated rate revenue - commercial                                  | \$1,001,000      |
|                                  |  | Estimated rate revenue - vacant                                      | \$838,000        |
|                                  |  | Estimated rate revenue - other                                       | \$274,000        |
|                                  |  | Estimated rate revenue - Total                                       | \$21,604,000     |
|                                  | Estimated % revenue as a share of land value by land-use class | Estimated rate revenue as a share of land value - residential        | 0.25             |
|                                  |  | Estimated rate revenue as a share of land value - primary production | 0.13             |
|                                  |  | Estimated rate revenue as a share of land value - industrial         | 0.54             |
|                                  |  | Estimated rate revenue as a share of land value - commercial         | 0.37             |
|                                  |  | Estimated rate revenue as a share of land value - vacant             | 0.24             |
|                                  |  | Estimated rate revenue as a share of land value - other              | 0.10             |
|                                  |  | Estimated rate revenue as a share of land value - Total              | 0.21             |
|                                  | Road Infrastructure  | Km of council roads - unsealed                                       | 620.2            |
| Km of council roads - sealed     |  | 1,081.0  |                  |

# Western



## Description

The proposed Western Council expands the existing West Coast LGA to incorporate Waratah and Savage River, extending north-east as far as the Arthur River.

## Criterion 1: Place and Representation

The West Coast of Tasmania is both culturally distinctive and has very different industrial, socio-economic, and demographic characteristics to much of the rest of the state. The area proposed here reflects this unique sense of place and community of interest as well as important industrial similarities. By incorporating the mining centres of Waratah and Savage River, this new council would recognise the regions' shared resources industry specialisation as well as emerging wilderness-based tourism industries.

### Key evidence

- Population: 4,542
- Median Age: 45.9
- Population living at different address 5 years ago: 34.3%
- SEIFA decile: 1

## Criterion 2: Future Needs and Priorities

The area faces common challenges of a declining population over the past decade, a growing drive-in/drive-out workforce, inadequate housing stock and the various service challenges associated with remoteness. The West Coast also faces pressing social and economic challenges. It is the most disadvantaged region in the state and exhibits a high level of need for targeted, place-based community services.

### Key evidence

- Population change 2011-21: -437
- Dwelling vacancy rate: 29.2%
- Population under age 15: 15.2%
- Population over age 65: 22%
- 10-year change in median age: 7.2 years



### Criterion 3: Financial Sustainability

Creating a larger council that includes all major mines in western Tasmania would give the new council the opportunity to maximise revenue from mining operations. This would be an important supplement to the rates revenue from residential land in this relatively sparsely populated area.

#### Key evidence

- Estimated total value of rateable land: \$928,300,000
- Estimated rate revenue: \$5,567,000
- Length of sealed roads managed by council: 96.4km
- Length of unsealed roads managed by council: 69.7km

### Criterion 4: Operational Capability

The new council would have access to an administration centre and outdoor operations centre at Queenstown, as well as other outdoor operation centres at Strahan, Rosebery, Zeehan and Waratah. Public-facing services would be available at Queenstown, Strahan, Rosebery, Tullah, Zeehan and Waratah. Operational capability, and particularly the retention of specialist technical staff, has long been a challenge in this region. The expansion of the council area to Savage River and Waratah will help alleviate this issue to an extent by providing further sources of revenue, but it is likely that staffing and capability issues will remain. This council will likely rely heavily on the procurement of key services from other, larger councils (particularly the proposed Cradle Coast Council) via shared services models and regional partnership arrangements.

#### Key evidence

- 69.8% of residents would be within a 30-minute drive of a service hub.
- 0% of the population would be in urban areas of 10,000 or greater.

### Key issues for consultation and technical analysis

West Coast Council supports expanding its boundaries to include Waratah and Savage River as outlined here, but also further to include the entire Tasmanian Wilderness World Heritage Areas and Arthur River.

In the long-term, it may be desirable to amalgamate the new North-West and Western Councils. While they have quite different community and industrial bases, they do share challenges in being relatively remote from large service centres. In the short-term, these new councils should be exploring greater service sharing with each other, and with the councils in the Cradle Coast region.

A key issue to be investigated in establishing the new Western Council is the new council's potential access to funding streams controlled by State Government, for example: by enabling the council to raise rates revenue from wind farms to reflect their commercial return; by directing a greater proportion of the heavy vehicle tax to the council; by providing greater access to the State's mining royalties and aquaculture licensing fees; and through funding streams from Hydro Tasmania properties.

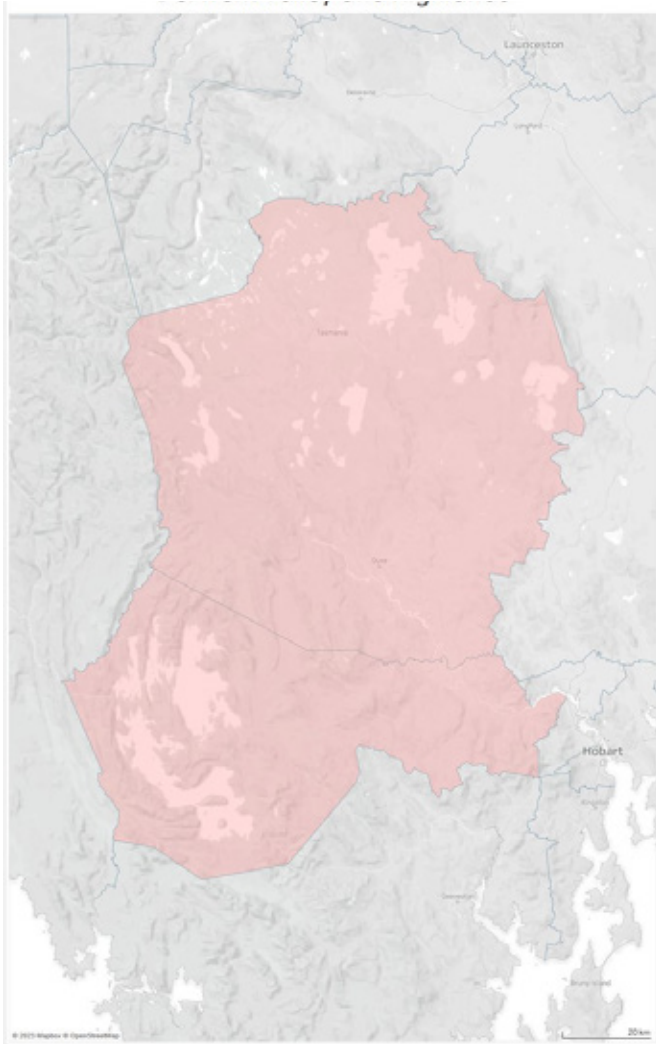
A stronger collaborative partnership with the Parks and Wildlife Service on issues of land management and road maintenance should be explored. Greater collaboration should also be explored with Service Tasmania and a range of other agencies to make best use of the council facilities to provide State and Commonwealth services to the community.

## Full data table

| Criteria                               | Indicator  | Measure  | Western       |
|--|--|--|---------------|
| Overview                               | Demographic  | Population   | 4,542         |
|  |  | Median age   | 45.9          |
|  | Income and Employment                                    | SEFIA IRSAD Score  | 840.8         |
|  |  | SEIFA IRSAD Decile   | 1             |
|  | Housing  | Total dwellings  | 3,311         |
|  |  | No. of single person households                                | 829           |
| % dwellings unoccupied on Census night |  | 29.2   |               |
| Place and Representation               | Established administrative, commercial and service hub/s | % of population within 30 mins of administrative hub           | 69.8          |
|  |  | % of population within 60 mins of administrative hub           | 98.1          |
|  |  | % of population within 60 plus mins of administrative hub      | 1.9           |
|  | Urbanisation   | % of population in urban areas of population 10,000 or greater | 0.0           |
|  | Mobility/ Migration                                      | % of population living at a different address 5 years ago      | 34.3          |
| Future Needs and Priorities            | Population growth  | Ten-year population change (2011-21)                           | -437          |
|  | Housing supply and infrastructure demand                 | Ten-year change in total dwelling numbers (2011-21)            | -95           |
|  | Employment growth  | Ten-year per cent change in resident labour force (2011-21)    | -18.3         |
|  | Older/aging communities                                  | Ten-year change in median age                                  | 7.2           |
|  |  | % Population over 65   | 22.0          |
| Younger communities                    | % Population under 15                                    | 15.2   |               |
| Financial Sustainability               | Value of rateable land                                   | Value of rateable land - residential                           | \$582,031,000 |
|  |  | Value of rateable land - primary production                    | \$91,217,000  |
|  |  | Value of rateable land - industrial                            | \$40,147,000  |
|  |  | Value of rateable land - commercial                            | \$100,186,000 |
|  |  | Value of rateable land - vacant                                | \$52,351,000  |
|  |  | Value of rateable land - other                                 | \$62,370,000  |
|  |  | Value of rateable land - Total                                 | \$928,300,000 |

| Criteria                         | Indicator  | Measure  | Western     |
|----------------------------------|--|--|-------------|
| Financial Sustainability (cont.) | Estimation of theoretical rate revenue applying current rates  | Estimated rate revenue - residential                                 | \$3,115,000 |
|                                  |  | Estimated rate revenue - primary production                          | \$261,000   |
|                                  |  | Estimated rate revenue - industrial                                  | \$392,000   |
|                                  |  | Estimated rate revenue - commercial                                  | \$1,058,000 |
|                                  |  | Estimated rate revenue - vacant                                      | \$576,000   |
|                                  |  | Estimated rate revenue - other                                       | \$165,000   |
|                                  |  | Estimated rate revenue - Total                                       | \$5,567,000 |
|                                  | Estimated % revenue as a share of land value by land-use class | Estimated rate revenue as a share of land value - residential        | 0.54        |
|                                  |  | Estimated rate revenue as a share of land value - primary production | 0.29        |
|                                  |  | Estimated rate revenue as a share of land value - industrial         | 0.98        |
|                                  |  | Estimated rate revenue as a share of land value - commercial         | 1.06        |
|                                  |  | Estimated rate revenue as a share of land value - vacant             | 1.10        |
|                                  |  | Estimated rate revenue as a share of land value - other              | 0.27        |
|                                  |  | Estimated rate revenue as a share of land value - Total              | 0.60        |
|                                  | Road Infrastructure  | Km of council roads - unsealed                                       | 69.7        |
| Km of council roads - sealed     |  | 96.4   |             |

# Derwent Valley and Highlands



## Description

This proposal combines the existing Derwent Valley and Central Highlands LGAs into a single local government extending from Granton, on the outskirts of Hobart and Brighton, though the Central Plateau to the edge of the Liffey and Meander conservation areas north of Great Lake.

## Criterion 1: Place and Representation

This combination recognises the strong existing employment and service links between many of the main population centres in the Central Highlands, such as Hamilton, Ouse, Bothwell, with the regional centre of New Norfolk. This council also reflects the longstanding and vital role of these areas and their communities in the state's hydroelectricity, forestry and agricultural industries, as well as the Derwent Valley's importance as a gateway to the Tasmanian highland lake country for tourists, shack owners, and other visitors.

### Key evidence

- Population: 13,807
- Median Age: 43.4
- Population living at different address 5 years ago: 30.6%
- SEIFA decile: 2

## Criterion 2: Future Needs and Priorities

The very large area covered by this council, as well as the remoteness and relative inaccessibility of some of its smaller communities, currently pose challenges for both of its constituent councils and would continue to require careful management under a consolidated council.

### Key evidence

- Population change 2011-21: 1,643
- Dwelling vacancy rate: 12.6%
- Population under age 15: 18.6%
- Population over age 65: 19.5%
- 10-year change in median age: 1.8 years

### **Criterion 3: Financial Sustainability**

While this council would have a relatively small population (with 13,807 residents) compared to some of the others proposed, it would benefit from greater capacity than its constituent units do currently. A further important consideration for this council is that a large number of properties in the Central Highlands are shacks (61% of dwellings in the Central Highlands LGA were unoccupied on Census night in 2021), meaning that the size of its resident population does not fully reflect the number of people who access services and pay rates in the area. Given the demographic profile of this community, it is inevitable that levels of service provision will have to increase in the future.

#### **Key evidence**

- Estimated total value of rateable land: \$4,513,718,000
- Estimated rate revenue: \$11,110,000
- Length of sealed roads managed by council: 231.9km
- Length of unsealed roads managed by council: 786.8km

### **Criterion 4: Operational Capability**

While this council's size and revenue will doubtless contribute to increased operational capacity, it is likely that it will still rely on shared services and regional partnership arrangements to bolster its service provision capacity in some areas.

#### **Key evidence**

- 89.6% of residents would be within a 30-minute drive of a service hub.
- 0% of the population would be in urban areas of 10,000 or greater.

### **Key issues for consultation and technical analysis**

Central Highlands Council does not support any change to its boundaries and appears to have significant community support for this position. Derwent Valley Council does not support any boundary change, however if it were to be required to change it would be least averse to shifting its northern boundary to encompass the southwestern portions of the Central Highlands (including Derwent Bridge, Bronte Park and Waddamana but not Bothwell or Interlaken).

Given the dispersed and remote nature of many of these communities, any consideration of establishing a new council would need to carefully consider how to maintain representation for, and mechanisms for ongoing engagement with, all of these communities.

A key issue to be investigated in establishing the new Derwent Valley and Highlands Council would be the new council's potential access to funding streams controlled by State Government, for example: by enabling the council to raise rates revenue from wind farms to reflect their commercial return; by directing a greater proportion of the heavy vehicle tax to the council; and through funding streams from Hydro Tasmania properties.

A stronger collaborative partnership with the Parks and Wildlife Service on issues of land management and road maintenance should be explored. Greater collaboration should also be explored with Service Tasmania and a range of other agencies to make best use of the council facilities to provide State and Commonwealth services to the community.

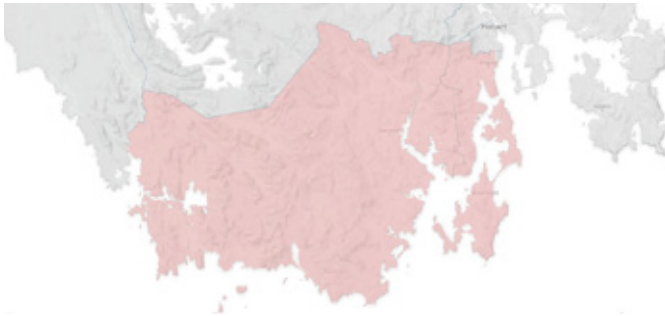


## Full data table

| Criteria                               | Indicator  | Measure  | Derwent Valley and Highlands |
|--|--|--|------------------------------|
| Overview                               | Demographic  | Population   | 13,807                       |
|  |  | Median age   | 43.4                         |
|  | Income and Employment                                    | SEFIA IRSAD Score  | 884.2                        |
|  |  | SEIFA IRSAD Decile   | 2                            |
|  | Housing  | Total dwellings  | 7,249                        |
|  |  | No. of single person households                                | 1,490                        |
| % dwellings unoccupied on Census night |  | 12.6   |                              |
| Place and Representation               | Established administrative, commercial and service hub/s | % of population within 30 mins of administrative hub           | 89.6                         |
|  |  | % of population within 60 mins of administrative hub           | 96.8                         |
|  |  | % of population within 60 plus mins of administrative hub      | 3.2                          |
|  | Urbanisation   | % of population in urban areas of population 10,000 or greater | 0.0                          |
|  | Mobility/ Migration                                      | % of population living at a different address 5 years ago      | 30.6                         |
| Future Needs and Priorities            | Population growth  | Ten-year population change (2011-21)                           | 1,643                        |
|  | Housing supply and infrastructure demand                 | Ten-year change in total dwelling numbers (2011-21)            | 367                          |
|  | Employment growth  | Ten-year per cent change in resident labour force (2011-21)    | 16.8                         |
|  | Older/aging communities                                  | Ten-year change in median age                                  | 1.8                          |
|  |  | % Population over 65   | 19.5                         |
| Younger communities                    | % Population under 15                                    | 18.6   |                              |
| Financial Sustainability               | Value of rateable land                                   | Value of rateable land - residential                           | \$2,697,874,000              |
|  |  | Value of rateable land - primary production                    | \$1,176,029,000              |
|  |  | Value of rateable land - industrial                            | \$76,619,000                 |
|  |  | Value of rateable land - commercial                            | \$144,416,000                |
|  |  | Value of rateable land - vacant                                | \$268,928,000                |
|  |  | Value of rateable land - other                                 | \$149,853,000                |
|  |  | Value of rateable land - Total                                 | \$4,513,718,000              |

| Criteria                         | Indicator  | Measure  | Derwent Valley and Highlands |
|----------------------------------|--|--|------------------------------|
| Financial Sustainability (cont.) | Estimation of theoretical rate revenue applying current rates  | Estimated rate revenue - residential                                 | \$7,350,000                  |
|                                  |  | Estimated rate revenue - primary production                          | \$1,942,000                  |
|                                  |  | Estimated rate revenue - industrial                                  | \$299,000                    |
|                                  |  | Estimated rate revenue - commercial                                  | \$504,000                    |
|                                  |  | Estimated rate revenue - vacant                                      | \$877,000                    |
|                                  |  | Estimated rate revenue - other                                       | \$137,000                    |
|                                  |  | Estimated rate revenue - Total                                       | \$11,110,000                 |
|                                  | Estimated % revenue as a share of land value by land-use class | Estimated rate revenue as a share of land value - residential        | 0.27                         |
|                                  |  | Estimated rate revenue as a share of land value - primary production | 0.17                         |
|                                  |  | Estimated rate revenue as a share of land value - industrial         | 0.39                         |
|                                  |  | Estimated rate revenue as a share of land value - commercial         | 0.35                         |
|                                  |  | Estimated rate revenue as a share of land value - vacant             | 0.33                         |
|                                  |  | Estimated rate revenue as a share of land value - other              | 0.09                         |
|                                  |  | Estimated rate revenue as a share of land value - Total              | 0.25                         |
|                                  | Road Infrastructure  | Km of council roads - unsealed                                       | 786.8                        |
| Km of council roads - sealed     |  | 231.9  |                              |

# Southern Shore



## Description

This proposal combines the existing LGAs of Kingborough and Huon Valley into a single council area, with the exception of Taroona, which would be transferred from Kingborough Council to the new Western Shore Council.

## Criterion 1: Place and Representation

The proposed Southern Shore LGA would cover a large area in the south of the state, the western half being mostly covered by the Southwest National Park. In the eastern half, the Huon Valley, D'Entrecasteaux Channel, Bruny Island, and the several small southerly settlements in and around Southport and Dover host a large and rapidly growing population of longstanding residents as well as more recent sea/tree-changer families and retirees. These areas share a common agricultural and, at least historically, forestry, industrial base. More recently, many communities in the region's north – most notably Kingston/Blackman's Bay, Huonville, Margate, and Snug – have become important 'satellite' commuter suburbs of Hobart. Nevertheless, Kingston remains a key commercial hub for the communities of the Southern Shore area.

The combination of faster than average population ageing in the south, a reasonably high proportion of young people, with very rapid recent population growth highlights the area's diverse and increasingly dynamic demographic mix. Agriculture, aquaculture, and tourism remain important industries in the region, although employment is increasingly dominated by service industries.

## Key evidence

- Population: 55,230
- Median Age: 43.1
- Population living at different address 5 years ago: 34.9%
- SEIFA decile: 8

## Criterion 2: Future Needs and Priorities

The opportunities and economic benefits that have accompanied rapid population growth in this region have also created challenges. As with all areas surrounding Greater Hobart, the issues confronting southern Tasmania relate to urban sprawl, built and social infrastructure needs, and strained transport links with inner Hobart. Booming property prices and inward migration have also exacerbated a local housing affordability crisis, with troubling implications for disadvantaged and longer-term residents. The large recent influx of lifestyle-driven relocation south of Hobart has exacerbated these issues, and this is likely to continue into the future.

### Key evidence

- Population change 2011-21: 9,219
- Dwelling vacancy rate: 9.5%
- Population under age 15: 19.4%
- Population over age 65: 20.5%
- 10-year change in median age: 2.5 years

## Criterion 3: Financial Sustainability

This larger council would have access to a large and rapidly growing rate base comprising a reasonably well-balanced mix of residential, commercial, and industrial land uses. Because both Huon Valley and Kingborough levy similar rates per capita, the transition to a common rates regime would be relatively straightforward.

### Key evidence

- Estimated total value of rateable land: \$18,004,217,000
- Estimated rate revenue: \$42,174,000
- Length of sealed roads managed by council: 457.8km
- Length of unsealed roads managed by council: 769.1km

## Criterion 4: Operational Capability

This new council should have enhanced scope capabilities in areas such as strategic planning, development, addressing key skills shortages, and could help manage issues such as climate change mitigation, urban consolidation, and infrastructure planning. It would assist with streamlining and implementing initiatives such as the Southern

Tasmania Regional Land Use Strategy and could potentially support the expansion of planning initiatives focused on Greater Hobart.

The scale benefits for a larger council include the ability to attract and retain specialist staff and provide better job security and career pathways for employees, invest in productivity-enhancing equipment and improve and standardise 'back-office' systems. The size of the new area would necessitate retention of jobs and teams across the region, maintaining local employment and knowledge while providing community members with ready access to council services.

### Key evidence

- 96% of residents would be within a 30-minute drive of a service hub.
- 40% of the population would be in urban areas of 10,000 or greater.

### Key issues for consultation and technical analysis

Kingborough Council supports investigating a merger with Huon Valley Council, including consideration of transferring Taroona to a new Western Shore Council. However it would like to see the option of a new governance board funded by a tourism levy established for Bruny Island. Huon Valley Council is not supportive of a merger with the urban part of Kingborough Council, but is open to considering expanding its own boundaries to encompass the rural areas of Kingborough including Bruny Island.

If this new Southern Shore Council were to be created, representation and community engagement would be significant issues to be addressed. This is because of the distances involved from north to south, and the community differences between urban Kingston and the rest of the new area. Another key issue would be maintaining the continuity of the medical services which are currently provided by Huon Valley Council.

## Full data table

| Criteria                               | Indicator  | Measure  | Southern Shore   |
|--|--|--|------------------|
| Overview                               | Demographic  | Population   | 55,230           |
|  |  | Median age   | 43.1             |
|  | Income and Employment                                    | SEFIA IRSAD Score  | 992.1            |
|  |  | SEIFA IRSAD Decile   | 8                |
|  | Housing  | Total dwellings  | 24,719           |
|  |  | No. of single person households                                | 5,113            |
| % dwellings unoccupied on Census night |  | 9.5  |                  |
| Place and Representation               | Established administrative, commercial and service hub/s | % of population within 30 mins of administrative hub           | 96.0             |
|  |  | % of population within 60 mins of administrative hub           | 98.7             |
|  |  | % of population within 60 plus mins of administrative hub      | 1.3              |
|  | Urbanisation   | % of population in urban areas of population 10,000 or greater | 40.0             |
|  | Mobility/ Migration                                      | % of population living at a different address 5 years ago      | 34.9             |
| Future Needs and Priorities            | Population growth  | Ten-year population change (2011-21)                           | 9,219            |
|  | Housing supply and infrastructure demand                 | Ten-year change in total dwelling numbers (2011-21)            | 3,729            |
|  | Employment growth  | Ten-year per cent change in resident labour force (2011-21)    | 22.8             |
|  | Older/aging communities                                  | Ten-year change in median age                                  | 2.5              |
|  |  | % Population over 65   | 20.5             |
| Younger communities                    | % Population under 15                                    | 19.4   |                  |
| Financial Sustainability               | Value of rateable land                                   | Value of rateable land - residential                           | \$14,586,730,000 |
|  |  | Value of rateable land - primary production                    | \$788,240,000    |
|  |  | Value of rateable land - industrial                            | \$261,130,000    |
|  |  | Value of rateable land - commercial                            | \$747,732,000    |
|  |  | Value of rateable land - vacant                                | \$1,115,818,000  |
|  |  | Value of rateable land - other                                 | \$504,568,000    |
|  |  | Value of rateable land - Total                                 | \$18,004,217,000 |



| Criteria                         | Indicator  | Measure  | Southern Shore |
|----------------------------------|--|--|----------------|
| Financial Sustainability (cont.) | Estimation of theoretical rate revenue applying current rates  | Estimated rate revenue - residential                                 | \$32,959,000   |
|                                  |  | Estimated rate revenue - primary production                          | \$1,920,000    |
|                                  |  | Estimated rate revenue - industrial                                  | \$958,000      |
|                                  |  | Estimated rate revenue - commercial                                  | \$2,963,000    |
|                                  |  | Estimated rate revenue - vacant                                      | \$2,869,000    |
|                                  |  | Estimated rate revenue - other                                       | \$505,000      |
|                                  |  | Estimated rate revenue - Total                                       | \$42,174,000   |
|                                  | Estimated % revenue as a share of land value by land-use class | Estimated rate revenue as a share of land value - residential        | 0.23           |
|                                  |  | Estimated rate revenue as a share of land value - primary production | 0.24           |
|                                  |  | Estimated rate revenue as a share of land value - industrial         | 0.37           |
|                                  |  | Estimated rate revenue as a share of land value - commercial         | 0.40           |
|                                  |  | Estimated rate revenue as a share of land value - vacant             | 0.26           |
|                                  |  | Estimated rate revenue as a share of land value - other              | 0.10           |
|                                  |  | Estimated rate revenue as a share of land value - Total              | 0.23           |
|                                  | Road Infrastructure  | Km of council roads - unsealed                                       | 769.1          |
| Km of council roads - sealed     |  | 457.8  |                |



## Appendix 2: The Review Process

At the end of 2021, the Tasmanian Government commissioned the Local Government Board to undertake the Future of Local Government Review (the Review) in response to recommendations made by the Premier's Economic and Social Recovery Advisory Council (PESRAC).

PESRAC's Final Report noted how important local government was in supporting local communities during the COVID-19 pandemic. Councils were – as they often are in times of crisis – on the front line working to ensure community needs were met and help was delivered where it was needed, and quickly.

PESRAC's community consultation heard about the value that communities place on having a trusted voice to government that understands, and can advocate for, their specific local needs and issues. However, PESRAC's report also highlighted those areas where communities thought both local and state governments could do better. The need for greater role clarity, with each sphere of government focusing on their areas of strength and capability, came through strongly.

The Board was established with broad statutory powers under Part 12A of the *Local Government Act 1993*. Under its [Terms of Reference](#), the Board was asked to review the way Tasmanian councils work and make recommendations about how the current system needs to change so that councils can meet the challenges and opportunities the community will face - not just in the short term, but for the next 20 – 30 years.

### ToR amendments

During the Review the Terms of Reference were amended by the Minister for Local Government three times – in accordance with the *Local Government Act 1993*:

- > November 2022 – the Stage 2 timeline was extended 3 months – to 31 March 2023 – to reflect a voluntary caretaker period observed during the 2022 October Local Government Elections.
- > March 2023 – The timeline of the Review was extended to 30 September 2023 at the request of the Local Government Association of Tasmania (LGAT). At the same time, the consideration of potential changes to the current role and function of Tasmanian councils in assessing development applications under the Land Use Planning and Approvals Act 1993 was explicitly excluded from the Terms of Reference, in response to community and sector feedback on the December 2022 Options Paper.
- > May 2023 – The timeline of the Review was extended again to 31 October 2023, in response to a request from the sector for more time to engage with Stage 3 of the Review.

## The Board's approach

The Review commenced in January 2022 and was structured in three main stages:

**Stage 1** involved community consultation, research, and evidence-gathering. It concluded in June, when the Board provided its first Interim Report to the Minister for Local Government. This engagement highlighted the key role played by local government in Tasmania as well as current and emerging challenges, opportunities, and priorities for reform.

**Stage 2** concerned the developing and testing of a broad range of possible reform options to address the issues, challenges, opportunities and priority reform areas identified in Stage 1. The Board provided a further interim report to the Minister with a refined set of options at the end of March 2023.

**Stage 3** saw the further development and delivery of a specific set of reform recommendations to the Minister, supported by a clear and practical implementation plan.

Our approach to the Review involved a deliberative process of co-design with the sector, peak bodies and organisations, and everyday Tasmanians – three groups with a massive stake in the future of local government. To support this, every major milestone featured a significant program of engagement to allow Tasmanians to shape the direction of the Review, as well as transparent public reporting and regular communications and advertising, to ensure we brought communities and the sector along with us on the 'reform journey'.

A broad range of physical and virtual engagement tools and approaches, catering to Tasmanians from all walks of life, were used including:

- Community, local government sector and other expert workshops
- Targeted focus groups
- Peak body forums
- Public Hearings
- One on one meetings with key stakeholders
- Informal community 'pop ups'
- Online surveys
- Receipt of online, mail and in person written submissions.

The Board also leveraged networks including Libraries Tasmania, LGAT, and councils to help promote and support engagement activities. Additionally, a number of representative organisations such as the Australian Services Union and Local Government Professionals conducted surveys of their members – providing the results to the Board.

Through this multifaceted approach we endeavoured to give every Tasmanian the opportunity to participate, across all stages of the Review. As shown below, we visited 36 cities or towns at least once, and pleasingly received over 6 500 inputs from Tasmanians across the local government sector, peak bodies and organisations representing their members, and the community. Each stage of engagement was also supported by a significant marketing and awareness campaign that involved newspaper, radio and social media promotion of key engagement activities. In particular, our social media marketing had high visibility across Tasmania, with the following unique views for each marketing activity below.

| Review Stage  | Marketing Activity                 | Duration of marketing             | Unique Views     | Total Impressions |
|---------------|------------------------------------|-----------------------------------|------------------|-------------------|
| 1             | Community 'pop up' promotion       | 19 March – 29 March 2022          | 183,616          | 987,441           |
| 1             | Stage 1 Survey promotion           | 30 March – 13 April 2022          | 25,056           | 101,142           |
| 1             | Community workshops promotion      | 13 April – 26 April 2022          | 123,133          | 839,437           |
| 2             | Stage 1 Interim Report release     | 21 July – 16 August 2022          | 74,383           | 501,358           |
| 2             | Options Paper release              | 12 December 2022 - 9 January 2023 | 287,937          | 840,205           |
| 2             | Local Community Meetings promotion | 10 January - 13 February 2023     | 352,978          | 1,192,888         |
| 2             | Options Paper submissions closing  | 5 - 19 February 2023              | 161,934          | 299,832           |
| 3             | Information Packs release          | 29 May - 12 June 2023             | 316,288          | 657,092           |
| 3             | Public Hearing promotion           | 7 July - 30 August 2023           | 134,658          | 801,230           |
| <b>TOTALS</b> |                                    |                                   | <b>1,659,983</b> | <b>6,220,625</b>  |



Additionally, throughout the Review the Board released a series of regular Newsletters. These allowed the Board to keep its subscribers up to date on the Review process, by providing periodic updates on key milestones, publications and engagement events. Members of the public could subscribe to this newsletter through the Review's website, or by opting in when they provided an online submission. Thirteen Newsletters, which can be found here, were distributed to our 1500+ subscribers.

As demonstrated, the reform recommendations being put forward in the Final Report have been through a robust process of development and testing with Tasmanians. This gives us confidence that our reform package reflects the ideas and aspirations of the community and sector itself for a system of local government that has the capability and capacity to meet the future needs and opportunities of our local communities.



### Stage 1 Engagement Overview

Stage 1 of the Review was what the Board considered its 'listening and learning' stage, consisting of a broad program of engagement, research and analysis to establish a fundamental understanding of the issues, opportunities and challenges facing our local government sector, as well as reform priorities to explore in the following stage of the Review.

It was structured around seven broad theme areas to help provide structure and focus to this stage. These themes were based around the main functional and service categories that councils in Tasmania currently deliver.

The engagement ran between February and May 2022 and provided comprehensive opportunities across Tasmania for communities and stakeholders to share their experiences, ideas and aspirations for the future of local government. We used an array of engagement approaches and mechanisms, so that every Tasmanian who wanted to had a chance to have their say.

It concluded in June 2022, when the Board provided its first Interim Report to the Minister for Local Government.

#### Stage 1 engagement



**20 'pop-up' events**  
held in towns and cities  
all around the state with over  
**600 people reached**

LGAT-facilitated sessions reach over

**70 elected members**

and approximately

**150 council employees**

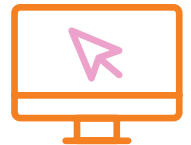
**4 interest group workshops**

focused around the review themes

**attended by 67 representatives**

from relevant peak bodies

**476 online surveys  
completed**



**39 written  
submissions**



**17 state-wide  
community workshop**  
with  
**172 participants in total**

Briefing to Members of Parliament  
and Secretaria  
Meetings with  
**all State Government agencies**

## Stage 2 Engagement Overview

Stage 2 of the Review was concerned with developing and testing a broad range of possible reform options to address the issues, challenges, opportunities and priority reform areas identified in Stage 1.

Early on we delivered another comprehensive program of stakeholder and community engagement and conducted and commissioned research and analysis to identify reform options and ideas.

Stage 2 engagement

### Interim report released

**89 submissions** FROM THE public

18 submissions from councils  
2 submissions from mayors  
2 submissions from peak bodies

### 33 'divergent views'

interviews with a wide range of

**sector experts** focused  
on identifying innovative or unorthodox perspectives

### State-wide Plenary Workshop with 51 peak body and local government stakeholders

### 6 follow-up focus groups

to discuss and develop potential  
draft reform approaches

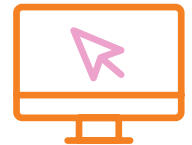
Meetings with all State Government agencies

## December 2022 Options Paper

This culminated in the public release of an Options Paper on 14 December 2022. In this Paper, the Board identified eight reform outcomes to deliver for the local government sector:

1. Councils are clear on their role, focused on the wellbeing of their communities, and prioritise their statutory functions
2. Councillors are capable, conduct themselves in a professional manner, and reflect the diversity of their communities
3. The community is engaged in local decisions that affect them
4. Councils have a sustainable and skilled workforce

### Survey of almost 500 Tasmanians aged 16–44



### 4 state-wide workshops WITH 61 members of Aboriginal Communities in Tasmania

### In-person regional meetings with council Mayors and GMs in Burnie (6 councils), Launceston (4 councils) and Hobart (6 councils)



### 6 meetings with key stakeholders including the Chair and Deputy Chair of the Premier's Health and Wellbeing Advisory Council and the New Zealand Local Government Review Secretariat

5. Regulatory frameworks, systems, and processes are streamlined, simple, and standardised
6. Councils collaborate with other councils and the State Government to deliver more effective and efficient services to their communities
7. The revenue and rating system funds council services efficiently and effectively
8. Councils plan for and provide sustainable public assets and services

To support the sector to realise these outcomes, the Board proposed 33 specific reform options, based on the key pressure points councils are facing now and in the future.

Importantly, the Options Paper noted that specific reform initiatives will only take us so far in delivering a local government sector that is in the best possible position to meet our future needs and challenges – and that the fundamental structural design issues facing the sector must also be addressed.

To support a future direction on structural reform – the Board sought feedback on three potential structural reform pathways:

1. Significant (mandated) sharing and consolidation of services
2. Significant boundary consolidation to achieve fewer larger councils
3. A ‘hybrid’ model combining both service and boundary consolidation

The Board invited public submissions on the Options Paper for over nine weeks – to 19 February 2023 – hearing from over 720 Tasmanians on their thoughts with respect to both the specific and structural reform options.

#### Option Paper engagement



#### Regional meetings

- with Elected representatives – **134**
- with council staff – **161**
- with community members – **178**



#### Written submissions

- from councils – **26 out of 29 councils**
- from organisations and peak bodies – **21**
- from individuals – **61**

### Stage 3

The third and final stage of the Review commenced on 1 April 2023, with the provision of the [Stage 2 Interim Report](#) to the Minister for Local Government. This Report outlined, culminating from the research and engagement undertaken during the first two stages of the Review, a preferred structural reform pathway for the local government sector.

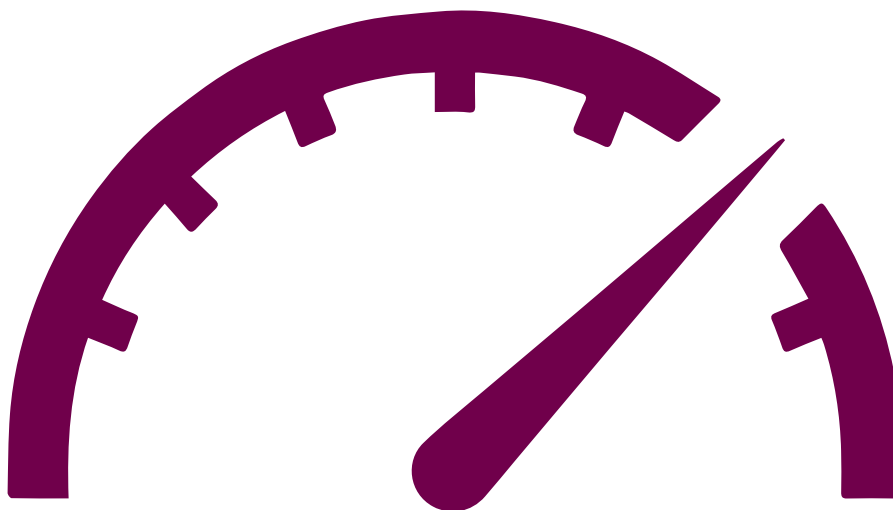
This was the ‘hybrid approach’ outlined in the December 2022 Options Paper; a combination of boundary consolidation to achieve fewer, larger councils, coupled with targeted sharing of services. The preferred approach to a ‘hybrid’ option, as demonstrated below, anticipated more scale benefit from boundary consolidation than service sharing.

The Interim Report also identified nine ‘Community Catchments’. These Catchments were regions of inherent connectedness in how Tasmanians live, work and play. The Catchments also provided the foundation for how Tasmania’s local government boundaries could be better aligned to support contemporary ‘communities of interest’.

To support an informed community and sectoral discussion on what a ‘hybrid approach’ could look like, in May 2023 the Board released nine Information Packs, one for each community catchment. Each of these Packs modelled a number of scenarios for how councils could be structured to best service and represent the communities within their catchment – supported by a range of data and insights. None of these scenarios were presented as a preferred outcome, but rather the Information Packs were designed to stimulate discussion on a potential future structure for our local government sector.

Importantly, this discussion was not just about boundary consolidation, with a number of other ideas presented for building and supporting the sectors capability and capacity – including approaches to shared services models, opportunities for partnerships between State and local government, and how local employment and representation can be preserved and improved.

The Board’s preferred approach to a ‘hybrid’ option anticipates more scale benefit from boundary consolidation than service sharing



Significant (mandated) sharing and consolidation of services.

Boundary consolidation to achieve fewer, larger councils.

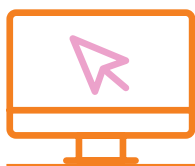
### Stage 3 engagement

As was expected, once tangible structural reform options were on the table, interest in the Review grew exponentially. To support initial discussions in Stage 3, across June and July 2023 the Board invited public submissions for a nine-week period, ran a series of targeted surveys on the information packs with community, council staff and Elected Members, delivered a series of focus groups with everyday Tasmanians, and supported LGAT and LG Pro to deliver 24 sectoral workshops. Across August the Board also held 10 Public Hearings for councils, community members and organisations to present to the Board - one in each Community Catchment for relevant councils and community, and an additional Hearing for peak bodies and organisations with a statewide policy focus.

#### Stage 3 engagement

**1611** completed surveys received on the Community Catchment Information Pack Surveys:

- **1,195** community members
- **321** council staff
- **95** elected representatives



### Regional meetings

- with Elected representatives – **134**
- with council staff – **161**
- with community members – **178**

### 221 written public submissions via:

- Email or post – **97**
- Online submissions portal – **124**

Written submissions from 27 out of 29 councils.

Written submissions from 16 peak bodies, organisations or groups.



A representative state-wide Local Government sentiment **survey of 1,000 Tasmanians.**

**Community Hearings** with all **29 councils, 8 peak bodies and organisations, and 16 community members** presenting.

**20 elected representative, council staff and Mayoral workshops** hosted by LGAT.

**4 council staff workshops** hosted by LG Pro.

**20 targeted focus groups** across Tasmania with individuals who had not engaged with the Review, with **148 participants** in total.





Notwithstanding our efforts to promote open and considered discussion on a range of ideas, the discourse surrounding the Review became largely focused on ‘worst case’ boundary scenarios. This was mainly driven by those with an interest in preserving the status quo.

While all councils accepted an invitation to present to the Board during August, public interest in the Review and the hearing process waned following the State Government’s announcement ruling out forced amalgamations – with only 24 community members or organisations registering to present.

The final hearing was held in Moonah on the 31 August 2023, signalling an end to the final program of engagement for the Review. From this point on, we commenced our drafting of the Final Report, presented to the Minister for Local Government on 31 October 2023.

### Research and engagement support

Throughout the Review we commissioned support from experts across a range of areas to help deliver technical research and analysis, or to support the development and facilitation of our engagement programs, which were crucial to the Board being able to undertake our inquiry. All consultants engaged by the Board, and the work they delivered, can be found below.

| Provider                     | Program supported | Service provided   |
|------------------------------|-------------------|--|
| Before Creative              | Engagement        | <ul style="list-style-type: none"> <li>Development of Review website and project branding</li> </ul>   |
| Capire Consulting Group      | Engagement        | <ul style="list-style-type: none"> <li>Design and delivery of Stage 1 engagement program</li> <li>Graphic design of Stage 1 Interim Report – including interactive online version of the Report</li> </ul>                             |
| CorComms                     | Engagement        | <ul style="list-style-type: none"> <li>Design and delivery of newspaper, radio and social media marketing to support each major community engagement program</li> </ul>  |
| Fiona Hughes                 | Engagement        | <ul style="list-style-type: none"> <li>Coordinating and facilitating regional workshops with Aboriginal community representatives and the Local Government Board (2 workshops in Launceston and one workshop in Ulverstone)</li> </ul> |
| Jeff Tate Consulting Pty Ltd | Research          | <ul style="list-style-type: none"> <li>Technical advisory support on potential structural reform models</li> </ul>   |
| KPMG                         | Research          | <ul style="list-style-type: none"> <li>CDC collation and analysis</li> <li>Development of two interactive data dashboards for publication on the Review’s website</li> </ul>   |
| Leigh Arnold Communications  | Engagement        | <ul style="list-style-type: none"> <li>Facilitation of local government expert workshop</li> </ul>   |
| LGAT                         | Engagement        | <ul style="list-style-type: none"> <li>Delivery of 16 sector workshops in Stage 1</li> <li>Delivery of 20 sector workshops in Stage 3</li> </ul>   |
| LG Professionals             | Engagement        | <ul style="list-style-type: none"> <li>Delivery of four local government sector workshops</li> </ul>   |
| R. John Howard               | Research          | <ul style="list-style-type: none"> <li>Review of Tasmanian local councils’ strategic asset management plans and practice - providing a final summary analytical report on the key findings</li> </ul>                                  |

| Provider   | Program supported       | Service provided  |
|--|-------------------------|---|
| Ruth Langford, Nayri Niara Good Spirit                   | Engagement              | <ul style="list-style-type: none"> <li>Coordinating and facilitating regional workshops with Aboriginal community representatives and the Local Government Board (1 workshop in Hobart)</li> </ul>  |
| SGS Economics and Planning                               | Research                | <ul style="list-style-type: none"> <li>Data collection, and subsequent review and analysis of the strategic capability and capacity of each of Tasmania's 29 councils – providing a report on the outcomes</li> </ul>   |
| Sue Costello   | Engagement              | <ul style="list-style-type: none"> <li>Facilitation support for February 2023 Community Meetings – with a report provided on the findings and outcomes</li> </ul>   |
| University of Newcastle – Institute for Regional Futures | Research and engagement | <ul style="list-style-type: none"> <li>Delivery of state-wide sentiment survey and analysis of results – providing a report on the findings and outcomes</li> <li>Delivery of state-wide community focus groups – providing a report on the findings and outcomes</li> <li>Peer review of Board's own research</li> </ul>   |
| University of Tasmania – The Tasmanian Policy Exchange   | Research and engagement | <ul style="list-style-type: none"> <li>Delivery of a series of four research papers into the future of local government in Tasmania</li> <li>Facilitation of local government expert workshop and focus group discussions – providing a detailed report on the findings</li> <li>Supporting report writing and editing for the December 2022 Options Paper and Final Report</li> <li>Supporting analysis for the May 2023 Information Packs</li> <li>Peer review of Board's own research</li> </ul> |



## Appendix 3: Review Publications

- Howard, RJ 2023a.  
*Review of Council Strategic Asset Management Plans and Practices.*  
Report for the Future of Local Government Review.
- Howard, RJ 2023b.  
*Appendix. Compliance with Content of Plans and Strategies Order.*  
Report for the Future of Local Government Review.
- Institute for Regional Futures 2023a.  
*Tasmanian Residents State-wide Phone Survey Report.* April 2023.  
University of Newcastle.
- Institute for Regional Futures 2023b.  
*Tasmanian Local Government Survey. Findings Snapshot.* April 2023.  
University of Newcastle.
- Institute for Regional Futures 2023c.  
*Community Sentiment Summary Report.*  
University of Newcastle.
- Institute for Regional Futures 2023d.  
*Local Government Reform Focus Groups.*  
Research Report.  
University of Newcastle.
- Local Government Board 2022a.  
*Guiding Principles.*  
Department of Premier and Cabinet.
- Local Government Board 2022b.  
*Review Roadmap.*  
Department of Premier and Cabinet.
- Local Government Board 2022c.  
*Review Themes.*  
Department of Premier and Cabinet.
- Local Government Board 2022d.  
*The History of Local Government in Tasmania – Board Reflections.* March 2022.  
Department of Premier and Cabinet.
- Local Government Board 2022e.  
*National and international trends in local government and their relevance to Tasmania – Board Reflections.*  
May 2022. Department of Premier and Cabinet.
- Local Government Board 2022f.  
*Place-shaping and the future role of local government in Tasmania: evidence and options – Board Reflections.*  
June 2022. Department of Premier and Cabinet.
- Local Government Board 2022g.  
*Interim Report. Review Stage 1 – June 2022.*  
Department of Premier and Cabinet.
- Local Government Board 2022h.  
*Interim Report Executive Summary. Review Stage 1 – June 2022.*  
Department of Premier and Cabinet.
- Local Government Board 2022i.  
*Interim Report: Appendices. Review Stage 1 – June 2022.*  
Department of Premier and Cabinet.
- Local Government Board 2022j.  
*Stage 1 Community Update. Review Stage 1 – July 2022.*  
Department of Premier and Cabinet.
- Local Government Board 2022k.  
*Options for sharing services in Tasmanian Local Government – Board Reflections.*  
Department of Premier and Cabinet.
- Local Government Board 2022l.  
*Stage 1 Interim Report Engagement Overview.*  
Department of Premier and Cabinet.
- Local Government Board 2022m.  
*Stage 1 Interim Report Public Submissions Analysis.*  
Department of Premier and Cabinet.



Local Government Board 2022n.  
*Stage 1 Interim Report – Council and Peak Organisation Submissions Analysis.*  
Department of Premier and Cabinet.

Local Government Board 2022o.  
*Options Paper. Review Stage 2 – December 2022.*  
Department of Premier and Cabinet.

Local Government Board 2022p.  
*Options Paper: Appendix. Review Stage 2 – December 2022.*  
Department of Premier and Cabinet.

Local Government Board 2022q.  
*Community Update. December 2022.*  
Department of Premier and Cabinet.

Local Government Board 2023a.  
*Stage 2 – Interim Report. March 2023.*  
Department of Premier and Cabinet.

Local Government Board 2023b.  
*Stage 2 – Interim Report Summary. March 2023.*  
Department of Premier and Cabinet.

Local Government Board 2023c.  
*Report of Survey of Tasmanians Aged 16–44.*  
Department of Premier and Cabinet.

Local Government Board 2023d.  
*Targeted Aboriginal Communities Engagement Report. March 2023.*  
Department of Premier and Cabinet.

Local Government Board 2023e.  
*Engagement with Aboriginal Communities and Younger Tasmanians – Board Reflections. March 2023.*  
Department of Premier and Cabinet.

Local Government Board 2023f.  
*Terms of Reference (as amended 18 May 2023). The Future of Local Government Review.*

Local Government Board 2023g.  
*Central and Midlands Community Catchment Information Pack. Review Stage 3 – May 2023.*  
Department of Premier and Cabinet.

Local Government Board 2023h.  
*Cradle Coast Community Catchment Information Pack. Review Stage 3 – May 2023.*  
Department of Premier and Cabinet.

Local Government Board 2023i.  
*Eastern Shore Community Catchment Information Pack. Review Stage 3 – May 2023.*  
Department of Premier and Cabinet.

Local Government Board 2023j.  
*North-East Community Catchment Information Pack. Review Stage 3 – May 2023.*  
Department of Premier and Cabinet.

Local Government Board 2023k.  
*South-East Community Catchment Information Pack. Review Stage 3 – May 2023.*  
Department of Premier and Cabinet.

Local Government Board 2023l.  
*Southern Shore Community Catchment Information Pack. Review Stage 3 – May 2023.*  
Department of Premier and Cabinet.

Local Government Board 2023m.  
*Tamar Valley Community Catchment Information Pack. Review Stage 3 – May 2023.* Department of Premier and Cabinet.

Local Government Board 2023n.  
*Western Community Catchment Information Pack. Review Stage 3 – May 2023.*  
Department of Premier and Cabinet.

Local Government Board 2023o.  
*Western Shore Community Catchment Information Pack. Review Stage 3 – May 2023.*  
Department of Premier and Cabinet.

Local Government Board 2023p.  
*Information Pack – Supporting Paper. Methods and Technical Background.*  
 Department of Premier and Cabinet.

Local Government Board 2023q.  
*Information Pack – Supporting Paper. Existing Councils – Data Items Explained.*  
 Department of Premier and Cabinet.

Local Government Board 2023r.  
*Information Pack – Supporting Paper. Shared Services Models.*  
 Department of Premier and Cabinet.

Local Government Board 2023s.  
*Information Pack – Supporting Paper. State Government partnership opportunities for Local Government.*  
 Department of Premier and Cabinet.

Local Government Board 2023t.  
*Information Pack – Supporting Paper. Supporting Strong and Empowered Local Communities.*  
 Department of Premier and Cabinet.

Local Government Board 2023u.  
*Community Catchment Information Packs Survey Report.*  
 Department of Premier and Cabinet.

SGS Economics & Planning 2023.  
*Functional and Capability Analysis of Tasmanian Local Council Report.*

Tasmanian Policy Exchange 2022a.  
*The History of Local Government in Tasmania. Prepared for the Future of Local Government Review. March 2022.*  
 University of Tasmania.

Tasmanian Policy Exchange 2022b.  
*National and international trends in local government and their relevance to Tasmania. Future of Local Government Review Background Research Paper No. 2. April 2022.*  
 University of Tasmania.

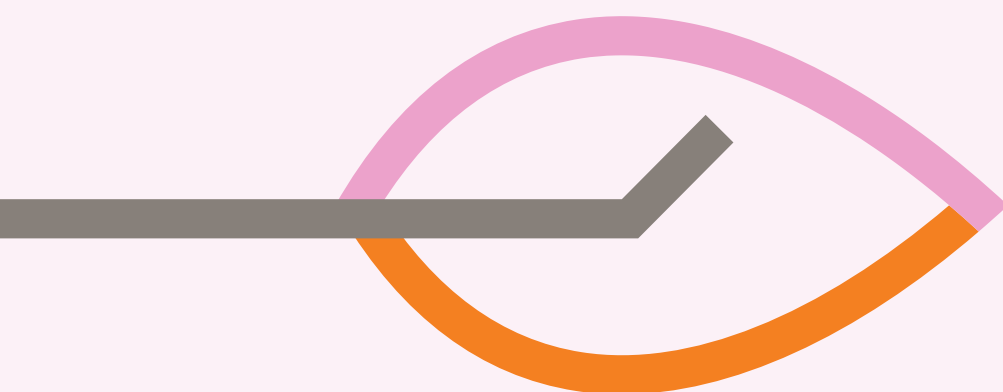
Tasmanian Policy Exchange 2022c.  
*Place shaping and the future role of local government in Tasmania: evidence and options. Background Research Paper No. 3. June 2022.*  
 University of Tasmania.

Tasmanian Policy Exchange 2022d.  
*Options for sharing services in in Tasmanian Local Government. Background Research Paper No. 4. August 2022.*  
 University of Tasmania.

Tasmanian Policy Exchange 2023. Funding  
*Tasmanian local government in the future: Key issues and reform options. Background Paper for the Future of Local Government Review. October 2023.*  
 University of Tasmania.



# The future of local government review



Tasmanian  
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**More information?**

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