



# CIRCULAR HEAD COUNCIL

## SUMMARY

*Big enough to be effective and small enough to care*

We are responding to the Board's request for Expressions of Interest by proposing that Circular Head (CHC) and Waratah-Wynyard (WWC) Councils merge to become a single entity, with boundaries per the Review Board's Scenario Two and the Cam River providing a natural border. This will ensure the area benefits from a local government authority with the features, scale and capabilities to deliver its roles and functions and adapt to a changing environment and economy, while maintaining local jobs, local voice and local representation.

The proposed area embraces a significant community of interest, albeit geographically dispersed across regional and rural communities. It builds upon principles already outlined in the Sustainable Murchison Community Plan 2040 around co-operation, co-ordination and connectivity.

The common interests include responsibility for areas of Tasmania's wilderness, with an economy driven by existing and emerging industry including renewable energy, major agri-business, and tourism. Together, we are resource rich.

Our proposal is underpinned by the knowledge that Tasmania's first Renewable Energy Zone will be located within the proposed area. The proposed new council will be well-placed to leverage the opportunities that will come with this to help us tackle common strategic issues.

These shared strategic issues include the expense of stewardship over a large area with minimal population, the lack of housing and the ageing demographic. Other strategic concerns include seasonality of employment (and population) and significant but relatively short-term impacts from major capital-intensive projects.

We passionately believe that the best outcomes will be achieved by consolidating around our existing communities, rather than adding them to an urban authority. Combining communities that are more similar in size and with common experience and similar strategic interests will lead to greater cohesion in the new authority.

The new council will be set up for success by an appropriate grant funding formula, a fair share of the Heavy Vehicle Tax, plus income from renewables. We propose that it should be underpinned by modern community level governance structures to ensure equity of voice across communities.

## CIRCULAR HEAD COUNCIL

ABN: 43 826 151 424  
33 Goldie St (PO Box 348)  
SMITHTON TAS 7330

03 6452 4800  
[council@circularhead.tas.gov.au](mailto:council@circularhead.tas.gov.au)  
[www.circularhead.tas.gov.au](http://www.circularhead.tas.gov.au)



## CIRCULAR HEAD COUNCIL

Our councils are major local employers, and therefore the principle of no job losses is a fundamental consideration for us in supporting a merger.

We support the exploration of partnerships with other agencies and departments as outlined by the Board to extend capacity, and in particular we see merit in a partnership with Service Tasmania.

We support the staged development of shared services and are willing to offer support to West Coast and King Island councils.

### DETAIL

Our chosen option:

- Embeds community wellbeing as a core business focus
- Supports contemporary community governance and participation models
- Maintains local jobs
- Supports improved service delivery
- Has the scale to deliver equitable results for communities
- Requires ongoing State support to ensure long-term financial sustainability

Although we approach a change of this scale with caution we recognise that staying as we are, will not help us address capability gaps and is likely to hamper our ability to deliver the thriving, growing community that we wish to pass on to our children and grandchildren and the generations to come.

Per the Board's Scenario Two, our proposal combines the current CHC and WWC areas, less Waratah and the Savage River mine. We agree that there is merit in establishing all mining areas in one LGA. The excision of these areas creates an economy for the new authority based around agriculture, tourism and renewable energy production.

Population levels, demographics, housing shortages, limited healthcare facilities and sparse community services will continue to challenge financial sustainability and the new council will require State government support. Strategies proposed for negotiation prior to final commitment, and which are designed to minimise the requirement for ongoing State support, include:

- Retention of Somerset
- A fair share of the Heavy Vehicle Tax
- Consideration of DSG taking ownership of elements of the rural road network to reduce the depreciation burden on the new council – with maintenance contracted to Council
- The ability to levy rates on renewable energy generation projects or a fair share of royalties

### CIRCULAR HEAD COUNCIL

ABN: 43 826 151 424  
33 Goldie St (PO Box 348)  
SMITHTON TAS 7330

03 6452 4800  
[council@circularhead.tas.gov.au](mailto:council@circularhead.tas.gov.au)  
[www.circularhead.tas.gov.au](http://www.circularhead.tas.gov.au)



## CIRCULAR HEAD COUNCIL

- Consideration of making wilderness areas 'unincorporated' and PWS taking ownership of them
- Participation in and provision of shared services to support local and regional capacity and to enable the new council to place the increased focus on community health and wellbeing that was envisaged in the Board's early thinking.

### **Somerset**

The inclusion of Somerset within the new council is vital. The population is a key component of the rate base and without it, the new council is less financially viable and would require significant extra ongoing State government support to manage its responsibilities, while Burnie does not need Somerset in order to be financially sustainable.

While we acknowledge the Board's thinking around where people work, this is just one lens. We believe that where people live is an equally important personal choice that should be given due consideration. Many people choose to accept a commute into an urban centre because they like living in or close to a more rural area

### **Feedback from Community and Staff Engagement**

Feedback derived from our own engagement activity is limited but indicates broad understanding of and support for change, consistent with the feedback provided separately to LGAT and the Board.

The key issues we have heard from staff and community are a concern to maintain local voice and local representation; the importance of keeping local jobs, and the ability to easily access services through a local 'front-counter'. Our solutions to these issues are addressed below.

### **A Strong Community Voice – Place Shaping**

In its early stages the Review envisaged a shift in the role of local government – from a primary focus on infrastructure and services to property, towards services to place more emphasis on supporting wellbeing, resilience, connectedness, identity and culture at a local level.

Although this has recently received less emphasis we consider that building community capacity, trust and participation is an important role and therefore offer two suggestions of possible models for local modern community governance that would underpin and feed the larger Council without running the risks inherent in a Ward system. These see a move towards more deliberative and direct decision making to inform a larger council and maintain local voice without detracting from the role of elected representatives.



## *Community Boards/Panels*

This is a group of local community members who are appointed through an EOI process to put together a **local community plan** with local priorities. We can point to the experience of an existing example in Waratah, based on the NZ model. This has gained some support in the community. WWC has been able to use this to attract grant funding that it might not otherwise have been able to achieve. A network of Boards is a valid way to retain and strengthen community identity and voice in a larger LGA.

It is possible that existing area management committees may form the nucleus of a new network of boards.

## *Place Managers*

An alternative may be to appoint location-based Place Managers with a similar mandate for local community plans.

Both options provide increased focus on community engagement and will help retain the sense of place that is key to thriving communities, offsetting the larger size of the new council.

Alongside a local place-shaping role we envisage supporting local voice through modern engagement based on the IAP2 framework. We believe that setting up a network of community boards does not preclude the use of (for example) citizen juries to deliberate on specific issues.

To do this effectively needs the scope and scale of a larger council, as a network of boards/panels would require the council to have the capacity to resource the work through an expanded Community Development team.

A well-managed local grassroots network will assist councillors to maintain a more strategic focus.

## **Equitable Representation**

As well as a thriving grass-roots network to support local voice, our communities are extremely keen to ensure that elected representatives are drawn from across the geographical area.

We therefore ask the Board to seriously and actively explore whether there is an appropriate electoral formula other than a Ward system that might be recommended to the State that ensures broad local representation.

At the July Council meeting Council expressed an interest in maintaining the current numbers of Councillors as a means of ensuring local representation. This would result in a council of 17 elected representatives. While this is a significant increase, it is a model adopted successfully in the UK and therefore worthy of consideration.



## Partnerships

### *Regional Strategic Partnership (RSP)*

Although we understand this to be predominantly a vehicle for the West Coast, we believe the RSP announced for 'western' Tasmania is an ideal vehicle to bring together key stakeholders including agencies, RDA, State Departments and industry (peak bodies) to address common strategic challenges such as housing for workers and regional development.

A forum at this level mitigates the problem of silos at various levels of government and the straight-line service thinking which can result in a lack of joined-up service delivery on the ground, although lived experience indicates that this type of partnership takes time to evolve.

An expanded RSP could also take a leading role in areas such as Natural Resource Management and Economic Development while taking care to add value rather than duplicate existing efforts.

More broadly, through negotiation we are keen to explore partnership possibilities with:

- Service Tasmania (ST) - one-stop shop for customer enquiries per the successful Devonport model
- Digital Strategy & Services (DSS) – to support cyber security
- Consumer, Building & Occupational Services – to provide extra capacity in plumbing and building regulation
- Department of Health (DoH) – to understand how it might be able to support EHO capacity, and also provide resourcing to support and enhance local delivery of important preventative youth and health & wellbeing programs
- Parks & Wildlife Service –there may be merit in exploring whether co-location of staff and resource would enhance resilience across both organisations. And a discussion around the merits of PWS taking ownership of wilderness areas as 'unincorporated'.
- We are also interested to explore the possibility of the Department of State Growth taking on management of elements of the rural road network, contingent on the possibility of purchasing agreements with council for road maintenance in order to maintain local employment and services.

## Staffing

With a workforce dispersed over a large geographical area we envisage no changes to depot locations and no job losses from the merger, although we recognise the potential that some roles may shift focus where the merger enables expanded capacity.

This proposal along with shared services will enable us to (a) improve service levels and (b) expand services in areas where we currently provide limited service.

Both Councils are important local employers, and the principle of no job losses is a key consideration for us in supporting a merger.



## Shared Services

We agree that boundary change alone is unlikely to fully address the challenges of modern governance and are keen to explore the opportunities for shared services. We envisage that well-planned and run shared services will support local and regional capacity as well as releasing resource to enable us to place more focus on community health and well-being, a role that the Board has acknowledged councils as uniquely placed to co-ordinate.

We suggest it may be sensible to establish the new council and move to shared services once we understand more about the level at which the most efficiency can be delivered. As to what might be included in a shared services arrangement we do not wish to be prescriptive before the final shape of councils is determined, however we support the Board's position that there may be considerable merit in elements of back-office services operating at a wider level given the common functions and emerging challenges that demand extensive and evolving expertise.

We largely support the Board's list of 'strong candidates' for service sharing.

We note that (smaller) councils will require State resource to assist in establishing shared services, particularly where a large-scale move of infrastructure and processes is envisaged. However, sharing other services such as Procurement, HR management and Legal Services may be more straightforward and, recognising the need for competition and due diligence, may even be able to build on existing arrangements such as the shared legal services contract in the North.

We believe it is too early to be prescriptive about how shared services might work. One option is that a new entity be set up with a Board consisting of the GMs of the councils concerned. This is important to avoid politics coming into play and to ensure the provision of shared services remains an operational function. Mandating the entity is also considered fundamental to avoid the risk of withdrawal.

Importantly, shared services must not result in job losses.

Further work required is required to understand whether best value for money and modern efficiency is through services that are provided directly by an entity or contracted out. Or indeed whether the costs of setting up an entity or contract are outweighed by the simplicity of a larger council providing 'fee-for-service' services to the other council (s) within its catchment and beyond.

## Timeframe

Despite the existing relationship between WWC and CHC, we strongly suggest that the timeframe for transition be not unduly compressed.

In order to deliver a seamless transition, we recommend that new councils come into being at the October 2026 elections.

This is in recognition of the work involved in developing and working through an Implementation Plan which would need to encompass diverse issues including:

- Comprehensive audits of services and assets to ensure alignment and consistency



## CIRCULAR HEAD COUNCIL

- Accelerated systems, policy and process consolidation
- Identifying and addressing IR issues
- Communications and Engagement – including rebranding and new council name

We make this suggestion in recognition of the likelihood that councils who are not already working together may require a longer period of preparation and adjustment.

### Resources and Support

The new Council will benefit from a shift in the grant funding formula, so that it can confidently deliver both community needs and aspirations. The increased costs of servicing a larger area and the associated increase in depreciation costs would be only minimally offset by economies of scope and scale. Therefore, additional funding is called for.

The resources that will facilitate transition and help us deliver a thriving new entity include:

- Resource support for transition so that people providing daily services are not also trying to organise and manage transition to a new authority
- A fair share of the heavy vehicle road tax.
  - This funding is not a component of the Financial Assistance Grant (FAG) pool and the sum allocated to councils (\$1.5m pa divided amongst all councils in Tasmania) has not increased since 1996-7, whilst the total heavy vehicle tax collected by the State has grown from an estimated \$32.1m to \$92.6m (2023/24 budget figures).
  - This is a **288% increase** in revenue but there has been a 0% increase in the local government share.
  - In the last 27 years not only has the size of trucks using our roads increased, but so has the volume of traffic. The new council would have 1301 km of roads to maintain of which 716 km would be unsealed rural roads. An increase in the share of heavy vehicle tax is only fair.
  - An appropriate correction using the current distribution formula would see the new council receive an additional \$977,300 per annum. This would go a long way to easing the current burden of road maintenance on a small population.
  - Distributing a fair share to all councils would have minimal impact on the State's revenue (an estimated 0.03% revenue reduction to the State's forecast 23/24 general revenue of \$8.422 billion).
  - Fair road funding reduces the need for rate increases
- The ability to rate renewable energy production on private land and a fair share of royalties on public land.
  - Enabling councils to generate income or sharing royalties would support sustainable improvement of the diverse services that councils deliver which are not road-related
  - Further reduces the need for rate increases

### CIRCULAR HEAD COUNCIL

ABN: 43 826 151 424  
33 Goldie St (PO Box 348)  
SMITHTON TAS 7330

03 6452 4800  
[council@circularhead.tas.gov.au](mailto:council@circularhead.tas.gov.au)  
[www.circularhead.tas.gov.au](http://www.circularhead.tas.gov.au)



## CIRCULAR HEAD COUNCIL

- A larger share of the Financial Assistance Grant pool, should there be less need for other councils to receive as much as they did pre-boundary change, on the basis that mergers have made them financially sustainable
- Consideration of the State taking ownership of more of the road network reducing the depreciation burden on council, while contracting maintenance to local crews, thus maintaining local employment
- Negotiated return of the Wynyard airport to the new council's control.

It is important to note that a fair share of the heavy vehicle road tax, the ability to rate renewable energy generators and a share in royalties, would go a long way towards establishing the new council on a self-sufficient financial footing and should be given sincere consideration by the State.

### **Conclusion**

Circular Head and Waratah-Wynyard Councils have an established history. We have embarked on a common policy framework; a joint digital transformation and we increasingly share people.

With the likely advent of Tasmania's first Renewable Energy Zone in the locality, broad community support and an appetite for change in both councils, becoming one council just makes sense.

Joining together will support modernisation and service growth and will enable us to deliver more sustainable outcomes for our communities.

However, our proposal is contingent on State commitment to both fund transition and take seriously our proposals to increase self-sufficiency. We have identified two important mechanisms by which the State could provide appropriate funding that would set a new council up for success.

We are willing to do our part to make this work. By providing fair funding the State can ensure a new council will be well-placed to deliver improved services and deliver better social, economic and environmental outcomes for our community and participate in or indeed provide shared services to other councils on a financially sustainable basis.