



# HUON VALLEY COUNCIL

## HUON VALLEY COUNCIL SUBMISSION

### The Future of Local Government Review Southern Shore Community Catchment Information Pack (Review Stage 3 – May 2023)

#### INTRODUCTION

The Huon Valley Council (the Council) welcomes the opportunity to comment on the Local Government Review and makes the following submission in regard to the Southern Shore Community Information Pack.

The submission notes the Board's considered view of the current structure of Tasmanian system of local government that:

1. *The status quo is not optimal or sustainable model for the sector as a whole, 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; and*
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. Reform must be designed collaboratively but, once settled, implementation must be mandated by the State Government.*

The Council has a primary concern that the need for wholesale amalgamations, boundary adjustments or consolidations across Tasmania has not been made out.

Council acknowledges that the Auditor-General has raised concerns about the viability of some Councils and these need to be addressed. It is not necessarily the case that consolidation will bring better outcomes in these circumstances though as larger Councils will inherit the viability issues.

Greater economies of scale and efficiencies as stated from consolidation has not anywhere been set out in any of the Reports arising from the review. Joining Councils together will not reduce assets or reduce costs to the community so where are efficiencies demonstrated?

The review has not been community driven. Initial feedback from the community raised issues of concern with local government that are perhaps best dealt with through the legislative framework of local government rather than to focus on consolidation.

From a Huon Valley perspective, community feedback to the options within the Southern Shore Catchment was mixed with:

- 34% favouring a consolidated Huon Valley and Rural area of Kingborough Councils;
- 27% favouring the status quo and retention of the existing Huon Valley Council; and
- 26% favouring a consolidated Huon Valley and Kingborough Councils.

The balance 13% that stated "other" seemed to support no changes or a radical reduction of Councils in Tasmania to 3 regional Councils only.

This shows an appetite for some consolidation however the clear preference is for a larger rural Council that does not include the urban head of Kingston and Blackmans Bay.

The greatest concern for the Council, in considering the scenarios set out in the Information Pack, is that there is simply insufficient information to allow for a proper analysis of what is the better outcome for the community.

The submission considers the following Structural Reform Principles in relation to the scenarios:

1. A focus on Future Community Needs;
2. Retaining Jobs and Service Delivery Locally;
3. Preserving and Enhancing Local Voice;
4. Smoothing Financial Impacts for Communities; and
5. Dedicated and Appropriate Resourcing for the Transition.

## **THE SOUTHERN CATCHMENT AREA**

The Information Pack identifies the challenges facing the Southern Catchment area as relating primarily to urban sprawl, population growth and strained community links with Inner Hobart.

There is a faster than average ageing population with very rapid recent population growth that highlights the prominence of retirees, tree changers and sea changers in the area's demographic mix.

The large recent influx of new residents is lifestyle driven and relocating south of Hobart. This has only further exacerbated these issues with strong population growth likely to continue into the future.

The demographic profile of the region's population is also beginning to strain its limited health and aged care resources and highlights the need for more coordinated provision of vital community services.

It is interesting to note that the community services quoted, being health and aged care requirements, are within Federal and State Government responsibilities. There is no suggestion in any reform proposal that these will become Council responsibility other than the usual advocacy on behalf of the community.

Neither the Interim Report or the Information Pack provides any basis whatsoever for structural change from a local government perspective and do not demonstrate any improved service delivery to the community.

Other than proposing to increase the size of councils and a consequential increase in statistics, there is no compelling reason stated within the Information Pack in favour of any particular consolidation proposals for any new council or councils for the catchment.

## **THE HUON VALLEY COUNCIL**

The Council is the 12<sup>th</sup> largest in the State in population with the estimate of 19,221 as at 30 June 2022. (profile.id.com).

The Council shares the demographic profile of the catchment and generally reflects the nature of the catchment regarding growth, growing at 16%, and expected to continue to grow at a strong rate.

The Council does not have any urban areas and is entirely a rural based municipal area.

Unlike the Kingborough Council area, the population of the Huon Valley is not concentrated into any urban head. Rather, the population is spread across the municipal area across 5 major townships, a number of settlements and many rural based residences.

The Council has strong cash reserves, financial indicators and low debt.

At its 7 June 2023 Special Council meeting the Council adopted a new Long Term Financial Plan and Strategy (LTFP). The Plan sets the direction for the Council to ensure financial sustainability into the future.

The Council provides a strong service offering compared to Councils across the State and neighbouring Kingborough Council including the provision of public swimming pools, childrens services, medical services and retirement villages responding the needs of the community.

In 2022/2023 the Council undertook extensive engagement with the Huon Valley community to update its Huon Valley Community Vision. Work is now progressing development of an updated long term Strategic Plan consistent with the Vision. Additional strategic documents, including those required under Part 7 of the *Local Government Act 1993*, will then be updated.

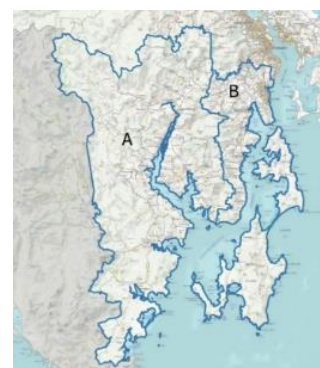
The Council is developing a new land use development strategy for the municipal area to direct and guide population growth, land use and infrastructure planning for the future.

The Council is in a strong position representing the Huon Valley community.

## **SCENARIOS**

### ***Scenario 1***

Establishes two council areas within the Southern Shores Community Catchment. The first consists of the existing Huon Valley municipal area, the second consists of the existing Kingborough municipal area minus Taroona (that would go to Hobart).



A summary of the considered strengths and weaknesses of this proposed scenario is tabled below.

<b>STRENGTHS</b>	<b>WEAKNESSES</b>
No amalgamation costs or disruption	Will not deliver consolidation sought by the State Government
No job losses or job reorganisations	Huon Valley won't benefit from access to increased revenue and investment potential of higher rate base (including high value commercial sector in Kingston)
Maintenance of rural nature of the municipal area	Difficult to attract and retain professional staff
Maintenance of 'Huon Valley' brand	Reliant on federal assistance grant scheme
HVC cash reserves will remain in the Huon Valley rather than be spent in the Kingborough region	May require a reliance on shared services
Retains options for greater cooperation and shared services	May limit influx of new views and ideas
HVC is currently on a good sustainable long-term footing that will not be disrupted by amalgamation	

HVC's strategic work (Community Vision, Strategic Plan and Land Use Development Strategy) won't be disrupted by amalgamation	
Focuses on Future Community Needs	
Retains Jobs and Service Delivery Locally	
Preserves and Enhances Local Voice	
Smooths Financial Impact for Communities	
No transition disruption or cost	

The strengths outweigh the weaknesses and addresses all of the structural reform principles positively.

A concern raised in the Information Pack as a challenge with this scenario is that the Councils may lack the scale and financial resources to meet future needs. This comment in itself is challenged when applied to scenario 1.

It is necessary to take into account that the Council is currently not small and is financially sustainable. Indeed, there are opportunities for the Council to improve revenue generation for the benefit of the community.

As at the 2021/2022 financial year, and for the 4 years previous, the Huon Valley Council has the 5<sup>th</sup> lowest (25<sup>th</sup> out of 29 Councils) average general rate across Tasmania. This is despite being the 12<sup>th</sup> largest Council in the State in terms of population.

This demonstrates that the Council has historically held rates low and still has provided a broad range of services. There is a clear opportunity to increase revenue and spread the rate burden across the municipal area, which would see increased and improved services and providing the scale and financial resources to meet the future community needs.

This is the opposite to scenario 2 where any increase in rates from the Huon Valley to bring them into parity with the Kingborough area would not be to the benefit of Huon Valley residents rather going to supporting Kingborough costs with no improvement of services to meet the future community needs.

Scenario 1 is a strong proposal and would have the least impact upon the communities within the catchment.

**Scenario 2**

Combines the existing Huon Valley and Kingborough municipal areas to create one new council area.



A summary of the considered strengths and weaknesses of this proposed scenario is tabled below.

<b>STRENGTHS</b>	<b>WEAKNESSES</b>
Much improved rate base and population density – better for funding roads/ stormwater and other assets	Possible considerable disruption, negotiations, change management, stress and costs, associated with combining two organisations
Benefit of access to a greater revenue pool and a focus on a broader range of programme areas that might include transport and connectivity, environmental and climate change outcomes.	Dilution of local 'brands' e.g. 'Huon Valley'

Potential efficiencies may deliver improved level of services (\$\$/ km road greatly improved)	Kingborough's greater population may lead to Kingston-centric council and outlook
Larger population from which to select experienced, skilled councillors	Possible job losses and/ or a need for Huon Valley office staff to travel daily to Kingston
Higher overall wealth and education level of population could drive a larger council's response to climate change and progressive change	Huon Valley feeling disenfranchised and 'poor relation'
Ability to better attract and retain professional staff	Friction between urban and rural populations
Catchment-level approach to land-use planning	Taroona and Bruny Island are included – both are expensive areas to maintain (Taroona has ageing infrastructure) and travel to Bruny is time-consuming
Catchment-level approach to emergency preparedness and response	Large geographical area – places like Southport and Hastings could be left behind
Improved size and lobbying power to State and Federal Governments	Ward system is unlikely to replicate current level of representation for Huon Valley people and is not generally supported as proper representative government for the good governance of an entire municipal area
Focuses on future community needs broadly across the entire catchment	With office staff travelling to Kingston for work, Huonville shops and contractors may lose out
Lower reliance on the federal assistance grant scheme	Harder for Huon Valley people to access and be able to attend council meetings
	Potentially less access to councillors and therefore diminished local representation
	A Kingston-centric council might well have no interest in securing medical centres, retirement homes, childcare centres and aquatic facilities in rural areas within the new Council
	HVC's good sustainable long-term footing will be disrupted by amalgamation
	HVC's strategic work (Community Vision, Strategic Plan and Land Use Development Strategy) will be disrupted by amalgamation and may not be consistent with the whole of the new Council area
	Retention of jobs and service delivery locally may be secured in the short term, but future strategic decisions may move jobs and service delivery away from the Huon Valley
	Diminishes local voice from rural communities
	Financial impacts for communities are unclear. The difference in average rating between Huon Valley and Kingborough is likely to see increases to Huon Valley residents without any increase or improvement on services
	Employees of the new Council will be on different enterprise agreements and employment conditions
	Transition costs are likely to be high including the merging of staff into a new larger Council, sharing of systems and information and undertaking a complete new set of strategic work for the new Council area.

The weaknesses outweigh the strengths and only one structural reform principle is addressed in the positive.

Whilst there are commonalities between the rural areas of the Kingborough Council and the Huon Valley Council, the highly urbanised head of the Council being Kingston and Blackmans Bay includes the majority of the populous of the Council area and is likely to hold the focus over the needs of rural areas where Council support and facilitation may be required.

Huon Valley Council currently provides a broad range of services for the community including operation of medical centres, retirement villages, childcare services, cemeteries and aquatic centres, none of which are provided for by the Kingborough Council who relies upon the private market to supply these.

Huon Valley Council has strong promotion of its local brand and economic development opportunities which is not reflected in the Kingborough Council or seen as sufficient importance.

How does a new Council approach these and ensure that these services are provided for the entire community not just for urban areas? This is not in any way clear in scenario 2 and would be subject purely to the direction determined by any new Council.

Scenario 2 provides for a convenient outcome by simply removing a boundary off a map and integrating the two Councils. There is nothing though within the Information Pack to suggest that this delivers greater economies of scale and scope for any services for the benefit of the communities.

### Scenario 3

Combines the existing Huon Valley and the majority of the Kingborough municipal areas to create one new council area. Under this scenario Kingston, Blackmans Bay and Taroona would go to Hobart.



A summary of the considered strengths and weaknesses of this proposed scenario is tabled below.

<b>STRENGTHS</b>	<b>WEAKNESSES</b>
Maintains rural character	Much larger area without proportional rate base increase - the \$\$ per km of road, goes down
Less disruption during amalgamation than scenario 2 as HVC processes and systems can be retained as the base for the new Council	Channel area is rural, but residents have a different outlook, i.e., less agriculture, more lifestyle
No learning curve required for staff/ management on urban focused issues	Considerable travel costs for depot workers, and possible need for second depot
Being of a rural character and a well spread population should preserve and enhance local voice (not currently held by the rural area of Kingborough due to the urban head populace)	Expensive, time-consuming necessity to service Bruny Island with its limited access and long coastline
Would ensure focus of the new Council would be on future community needs consistent with rural areas	HVC's strategic work (Community Vision, Strategic Plan and Land Use Development Strategy) may be disrupted by and may not be consistent with the whole of the new Council area
Being of a consistent rural background and property values this will likely smooth financial impacts for communities and make it easier to flatten rate adjustments	Transition costs are likely to be high including the allocation of staff from the former Kingborough Council and merging into the new Council structure as well as separating property information and

	records for the area to be included in the new Council.
Larger population from which to select experienced, skilled councillors	Reliant on federal assistance grant scheme
Increase professional staff reallocated from the Kingborough Council and subsequent increased ability to attract and retain staff	Employees of the new Council will be on different enterprise agreements and employment conditions
Retains jobs and service delivery locally and provides opportunity to expand jobs into the North West River/Channel areas through service centres and depot locations	Lack of detailed figures to assess what a viable Council would look like
Focuses on Future Community Needs	
Preserves and Enhances Local Voice	
Smooths Financial Impacts for Communities	

The strengths are considered to outweigh the weaknesses for this scenario with all but one structural reform principle being addressed in the positive.

As discussed in the Information Pack, the D'Entrecasteaux Channel and Huon Valley have established identities which are quite distinct from Greater Hobart. The faster growing suburbs of Kingston and Blackmans Bay are more connected to the City than to the rural areas of the municipal areas.

The Huon Valley and Channel areas continue to grow particularly with growth in the Margate, Huonville and Cygnet areas remaining strong. Demand for rural residential blocks remains strong in both areas. This recent influx of lifestyle-driven relocation south of Hobart is expected to continue into the future.

Agriculture, aquaculture and tourism remain important industries in both regions.

Both regions have similar impacts from climate change, less focused on the impact of infrastructure other than roads, more on the safety of residents and exposure to bushfire, flooding coastal hazards and storm surge.

There is commonality of the issues that both areas face and would benefit from a coordinated approach.

Scenario 3 is a strong proposal and would have minimal impact upon the communities.

### ***Alternative Scenarios***

Given the physical location of the Huon Valley and surrounding topography it is considered that the three (3) scenarios put forward are the only viable ones for consideration, outside of a status quo.

Whilst the Council currently borders the Glenorchy City, Derwent Valley and West Coast Councils, there are no common linkages with those council areas and there is clear geographical separation and limited connectivity between the municipal areas.

No alternative scenarios are considered feasible for discussion.

### **SHARED SERVICES**

The concept of shared services is a matter for discussion in both scenarios 1 and 3 and it is recognised as a weakness in scenario 1 of the ability to attract and retain professional staff.

There are certainly opportunities to consider shared services with adjoining Councils or on a regional basis.

Shared services however are far from a panacea and do not guarantee either a better services or savings of cost.

As a case study the original regional water and sewer corporations are an example.

In addition to establishing the three regional corporations, a fourth corporation, *On-Stream* was established to provide shared services to all three corporations. This was not considered to be successful. The regional corporations subsequently employed specialists in the services delivered by *On-Stream* to effectively respond to in-house demand and to liaise with and manage the service delivery from *On-Stream* resulting in duplication and additional cost.

Shared services are not opposed but they must be carefully considered to see any improvements that would meet the structural reform principles.

### **QUALIFIED WORKFORCE**

The review has raised the pressures associated with the ability of Councils to attract and retain a qualified workforce. Consolidation of local government is seen to partially address this issue.

The issue of limited qualified workforce is not though limited to local government, to Tasmania or even Australia and will not simply be solved by reducing the number of Councils. Whilst there may be some consolidation of the existing qualified workforce within larger Councils, the labour pool remains limited and even larger Councils may find staff attraction and retention difficult.

It is considered essential that the State Government focus on the need to establish a qualified workforce through promotion, education and training and support.

### **LOCAL REPRESENTATION**

Local representation is important to any consideration of Council area boundaries.

Under section 20 of the *Local Government Act 1993* a Council is charged with the functions of:

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

In addition, section 28(1) of the Act provides that Councillors are to act individually to represent and act in the best interests of the community.

This provides the obligation for the Councillors to consider the interests of the entire community and would generally be reflected in a cross section of representation from the whole municipal area.

Currently the Council has representation from right across the municipal area, which takes into account the spread of the population rather than being concentrated more into an urban area.

Scenario 1 would clearly retain that local representation opportunity as the Huon Valley has no urban areas.

Scenario 2 however may lose the opportunity for local representation given the significant urban concentration in Kingston and Blackmans Bay outweighing the rural population. Local representation and access to Councillors may be reduced in these circumstances.

Scenario 3 is likely to reflect more the current Huon Valley experience with the population being spread across the municipal area. Local representation is likely to be maintained in this scenario as a new Council.



There has been some discussion of the use of wards to ensure local representation. Whilst wards are provided for within the Act, it is arguably inconsistent with the functions of council and Councillors to act in the interests of the entire community.

As highlighted in the Information Pack, the use of wards may result in a fail to attract a broad and diverse range of candidates. Wards can also lead to factionalism and parochialism in councils, which may impact a shared vision outcome for the entire community.

Ward representation is not supported as a basis of engineering a local representation outcome and the proposed structures in either Scenarios 1 or 3 ensure that local representation is continued.

## **OTHER ISSUES**

### **Bruny Island**

Bruny Island is a significant challenge to any scenario given its isolation, limited access through ferries, low population density, low rate base and yet has a high tourism demand and need for services.

As with the discussion of King and Flinders Island in the *Information Pack – Supporting Paper Supporting Strong and Empowered Local Communities* there is scope to consider special governance arrangements for the Island.

Whilst Bruny is different to King and Flinders as it does not constitute an individual council, the issues are similar and should consider alternative governance arrangements rather than necessarily inclusion within a new council area.

### **Tasmanian Wilderness World Heritage Area (TWWHA) and Islands**

Irrespective of the scenario chosen, the TWWHA and Macquarie and Maatsuyker Islands also require consideration.

A large area of the Huon Valley Municipal Area (and thus any new Council arising out of any scenario) is the TWWHA. In addition, the Council includes Macquarie Island and Maatsuyker Island.

Other than provision of limited access, there are no Council services provided to these areas and very few rateable properties and little population. In addition, there is limited regulation for use and development in these areas given the management of the TWWHA and application of the Environmental Management Zone in those circumstances. Macquarie Island is also specifically excluded from operation of the planning scheme.

Whilst there may not be any issue retaining these areas within the entire municipal area of any new council, the purpose of doing so is questioned for their appropriate management.

As with the discussion of Unincorporated Areas in the *Information Pack – Supporting Paper Supporting Strong and Empowered Local Communities* there is scope to exclude these areas from governance by councils.

The Council supports the exploration of these areas to be administered and managed by the State Government.

## **COUNCIL POSITION**

Having considered the above assessment, the Huon Valley Council is of the view that Scenario 1 best addresses the structural reform principles set out by the Board and is the preferred scenario for the benefit of the Huon Valley community following a preferred do nothing position.

Noting the considered view of the Board in relation to the need for some form of consolidation necessary to deliver greater economies of scale and scope for at least some services, the Council is of the view that Scenario 3 provides a net benefit and is the second preferred scenario as it creates a large rural Council for Southern Tasmania without urban conflict.

The Council considers that for there to be effective changes resulting in consolidation that all transition costs are borne by the State Government and not the effected communities.



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MAYOR**