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Local Government Board
Future of Local Government Review

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To whom it may concern,

RE: FUTURE OF LOCAL GOVERNMENT REVIEW SUBMISSION

Thank you again for the opportunity to provide feedback to the Future of Local Government process.

On behalf of our Council, I provide a brief submission which responds to the consultation questions outlined in the Future of Local Government Community Catchment Packs and associated supporting discussion papers. It is understood that the Board are seeking feedback on each of the scenarios and whether there are other different scenarios the Board should consider. We have maintained our focus in this area as this was the request of the Board at the outset of the process.

This submission takes into account community feedback, staff input and elected member deliberations, recognising that in accordance with the *Local Government Act 1993* an individual councillor must act in the best interests of the community.

Background

Prior to discussion regarding the scenarios presented, it is important to again provide context and background to the present working environment.

Waratah-Wynyard Council has a formal existing resource sharing agreement with Circular Head Council and as of 30 June 2022, there were 13 positions shared to varying degrees across the two Councils. This resource sharing agreement aims to gain both Councils advantages in areas of:

- Procurement and contract management
- Policies and Procedures
- Joint Committee Representation
- Training
- Integrated strategic and operational planning
- Shared audit panel
- Staff recruitment

In 2016 Council adopted the Sustainable Murchison Plan which covered four local government areas (LGAs): Waratah-Wynyard, Circular Head, West Coast and King Island. Each LGA has a principal

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settlement, a network of smaller settlements and dispersed rural housing. The Sustainable Murchison Plan outlines common goals and similarities within the region and projects of combined interest.

Resource sharing and project work between Waratah-Wynyard Council and Burnie City Council is limited and ad hoc at present and they have formally withdrawn from the Sustainable Murchison Plan.

Option Analysis

Council has compiled notes from internal sessions with employees and elected members and combined this with feedback from the community through surveys and feedback at Council run information sessions. These compilations are attached as an appendix to this submission and form the basis of the recommended position within this submission.

Catchment Scenarios

Waratah/Wynyard is noted in two Catchment Scenarios - the Cradle Coast Community Catchment and Western Community Catchment. Council has not commented specifically on other catchments throughout the state as part of this submission.

The Cradle Coast catchment references Wynyard and Somerset and whether Wynyard and Somerset should be included in the Cradle Coast or Western Community Catchment, which is a non preferred option. Whilst acknowledging the different viewpoints, strong linkages to the west show a much closer alignment and connection for both Wynyard and Somerset to the Circular Head region. The Cam River provides a natural border, and the population of Somerset is required in the western catchment area to enhance financial viability.

Council does believe that an urban/ rural differentiation would provide benefit in a future Council structure. The concept or option of a consolidated narrow strip of urban areas from Burnie to Devonport would provide greatest benefit to the region. A large Council of this nature could provide services to neighbouring rural Councils and would have the scale and strength to successfully lobby for funds and improvements. Ultimately a strong and thriving urban network will ultimately benefit the surrounding rural areas. Change of this nature may support Burnie in returning to become a thriving service centre it needs to be to support the western catchment.

The above changes would result in rural Councils in the west and east (Latrobe/Kentish area) and a narrow urban strip along the coast. It is considered the wilderness areas of Cradle Mountain is best aligned with the Western Council structure to align tourism and branding strategies and benefit from remote area knowledge.

As a result of these views the Waratah/Wynyard Community has focussed strongly on the Western Community Catchment.

Discussion Papers

Council has considered the discussion papers and provides the following comments -

Community Voice and Engagement

Council believes that community plans can deliver voices to all areas regardless of elected representation. Waratah-Wynyard Council has experience in this regard at Waratah, where despite no elected representation, a two-year community plan provides the community with the opportunity to identify priority projects and then work with Council on their delivery. A new Council will need to

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be well resourced in Community Development and Communications/Engagement teams to be able to create and deliver these plans.

A combined western Council of any nature faces a number of challenges unlikely to be faced in other areas of the state due to distance, remote and rugged terrain, weather and limited technology coverage. Consideration needs to be given to further reduce mobile and technology blackspots to ensure linkages across remote areas.

Council has some trepidation about use of a ward system, particularly the narrow focus of attention those elected may have, rather than a strategic approach for an entire community or region.

Shared Services

Council has provided feedback regarding shared services in previous submissions. It is very difficult to appropriately comment on shared services and possible models until a final Council structure is understood.

State Government Partnerships

Healthy State Government relationships are critical to the success of local government. Any reform to local government cannot be done in isolation and must be coupled with appropriate change to state government policy, process and resources.

Council has lobbied for years (as part of state budget submissions and other) for increased resources and improved accountability/regulation in Parks and Wildlife and Crown Lands. Until this is rectified, Council cannot support using these services in an increased capacity. Additional resources in these departments will increase council efficiency significantly.

Council seeks greater partnerships with the Department of Health to develop preventative health and recreation programs. This should be coupled with appropriate program funding. Similarly, Council is open to exploring options to improve customer connection and efficiency, such as through Service Tasmania.

Ultimately any state government relationship that can provide greater efficiencies, improved timelines, streamlined approvals, increased automation and single point customer contact should be explored.

Other considerations

Regional Partnership Model – State Government

We are aware of the progression of a regional partnership model by the state government focussing on the western area of the state. This process can be the basis for progressive and collaborative discussions about future service delivery to the region.

Renewable Energy Zones

This part of the state is progressing on the basis that Tasmania's first Renewable Energy Zone will be located within the proposed area. Any new council should be well-placed to leverage the opportunities that will come with these developments.

Federal and State electorate boundaries

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Some consideration should be given to existing state and electoral boundaries throughout this process to ensure no unintended consequences are produced from the outcome.

Weighting

Waratah-Wynyard Council is a strongly performing Council against all metrics. It is financially sustainable and is delivering with record levels of capital expenditure. It has a mature and robust decision-making process. It is our Council's belief that this background needs to be considered by decision makers. More weight should be given to the position of better performing Councils and proven sound decision makers, rather than those that have a less than satisfactory practices in this regard.

Financial Sustainability

It is critical that modelling ensures any new council created, and those that remain, can be financially sustainable into the long-term future. Council recommends that a number of policies should be reviewed to ensure that is the case in the western catchment:

- Heavy Vehicle Tax – in Council's state government budget submissions in previous years it has called for reform of this policy position and ensure a fair share of the heavy vehicle road tax is returned to Councils most impacted. The sum allocated to councils (\$1.5m per annum 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 \$73.9m (2019 figures). This is a 230% increase in revenue but there has been a 0% increase in the local government share. In that time, not only has the size of trucks using roads increased, but so has the volume of traffic. An increase in the share of heavy vehicle tax is only fair to Councils with large road networks and many heavy vehicle movements. Distributing a fair share to all councils would have minimal impact on the State's revenue but provide a significant boost to assist Council sustainability
- Rating of wind farms and renewable energy projects – there are deficiencies in the existing rating legislation meaning wind farms do not contribute rates on a fair and reasonable basis. This needs to be corrected.
- Mining Royalties – In 2022, the state government received almost \$84m in mineral royalties. As an example, distribution of 10% of these royalties to relevant local government areas to be used to improve liveability, housing and other operational needs would be a sensible and fair use of these funds and remove the need for Councils to use differential rating. Enabling councils to generate income through sharing royalties would support improvement of the diverse services that councils deliver which are not road-related. Wealth is being taken from Council areas with no return or reward to those local areas generating the wealth for the state.

Recommendation

Scenario 2 establishes three council areas within the Western Catchment. Incorporating Waratah and Savage River into the West Coast area reflects the prevalence of mining communities, and to the north the predominance of agriculture. King Island remains a stand-alone council. Recognising the strong desire of King Island and West Coast Councils to stand alone, and the ongoing relationship between Waratah-Wynyard Council and Circular Head Council, this option presents the most straight forward scenario politically and from the community view.

The proposed outcome recognises communities of interest, albeit geographically dispersed across regional and rural communities and builds upon principles already outlined in the Sustainable Murchison Community Plan 2040 around co-operation, co-ordination and connectivity. Combining

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communities that are more similar in size and with common experience and similar strategic interests will lead to greater cohesion in the new authority.

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. Boundary adjustments should be explored to incorporate Cradle Mountain and southern areas through to Derwent Bridge.

There is recognition from Council that in the long term, one consolidated council area for the Western Community Catchment, combining the communities of Tasmania's west coast and far north, including that of King Island is a likely and preferred outcome. At this stage, whilst this may appear a logical endpoint, many are not at this point of big picture thinking.

The Board need to determine whether the modelling suggests West Coast and King Island Councils can stand alone into the future. The Report of the Auditor-General No. 4 of 2022-23 *Auditor-General's Report on the financial statements of State entities* outlines that in 21/22 West Coast Council reported an underlying deficit of approximately \$797,000. For financial years 2018-19 to 2021-22 the results were \$403,000 surplus; \$1,052,000 deficit; \$1,201,000 deficit respectively. This is on the back of a rating structure heavily reliant on industry contributions. King Islands underlying results represent a very similar outcome and Circular Head have recorded deficit results in each of the four reporting years.

Council recognises the nuances of King Island and its unique issues and needs and supports its position to stand alone should it be able to demonstrate financial sustainability and remains open to provide support wherever possible.

There remains appetite for Council to explore further strengthening relationships with Circular Head Council if the reform does not result in any meaningful and timely action.

It is noted that community sentiment towards the changes suggested above is difficult to gauge. Very little participation has occurred from the community in feedback processes and engagement activities to date. More work may be required in this regard.

Additional Comments

Council notes with interest the comments of the Premier on Sunday 16 July regarding the fact that this review process will not result in any forced amalgamations. The Board's report is conclusive that change must occur in the sector. The sector will not reform itself so it appears what is best for the industry will be lost and opportunities for improvement wasted.

If structural reform does not eventuate as a result of government led change, the government must incentivise the process for those Councils willing to be forward thinking and proactive. Funding should be provided to support Councils seriously progressing the next stage of discussions, including covering the costs of any community engagement and voting processes, and to assist in the initial operational impacts of changes.

Council also strongly encourages the government to establish a process where non-compliance is dealt with effectively, urgently and strongly. Councils that continue to produce underlying deficit budgets, that fail to comply with legislation and fail to deliver on promised services must be held to account.

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Evidence would suggest that full compliance and sustainability is not possible with the existing number of Councils. Furthermore, the Tasmanian Audit Office must take a much more proactive role in closely scrutinising long term financial plans and strategic asset management plans to test their veracity.

Whilst there is no data to suggest that any of the scenarios or options presented will address the issues being faced by Councils in this region today – recruitment and retention; reduction in elected member interest; contractor and builder availability and declining population, progression needs to be made in other aspects to aid a better industry. Unfortunately, politics will cloud decisions made on logic and fact.

Conclusion

To summarise, Waratah-Wynyard Council is open to exploring and discussing all structural reform options and welcomes changes that result in positive outcomes for the Waratah-Wynyard community, including ensuring that service levels are maintained, local representation is maintained, and the financial status of the community is strengthened.

Whilst recognising that scenario 3 presented for the Western Catchment is a likely long-term option, it notes scenario 2 has a much easier and smoother pathway forward. The Board need to appropriately analyse issues of sustainability in this catchment due to the large geographical area and limited population base. Retention of Wynyard and Somerset in this catchment therefore remains critical.

The outcomes of the reform process should deliver Councils that are sustainable in their own way. These models above will reduce overheads, increase economies of scale, reduce parochialism and potentially provide cost efficiencies across a greater area of the state. It is for these reasons, Council is willing to test the community desire for change.

True local government reform will not be produced by merely joining a number of Council's together. It is only with combined improvements and relationships with State Government, exploration and commitment to relevant resource sharing models, refinement and clarity of service delivery and a total commitment and adherence to all aspects of of accountability will reform become successful. Making no change simply exacerbates the issues being faced by the industry at present.

The original purpose of the review of local government in Tasmania was to create a more robust and capable system of local government, for the benefit of all Tasmanians. The question to ask the Board is whether the recommendation included within this submission meets that aspiration.


Yours sincerely,

Dr Mary Duniam

MAYOR


Appendix

Scenario 1 Western Catchment

	<p>Scenario 1 establishes two new council areas within the Western Community Catchment. The first (A) combines the existing LGAs of Circular Head, King Island, and Waratah-Wynyard. The second (B) consists of the existing West Coast LGA.</p> <p>Under this scenario, the two council areas have been formulated on the basis of communities of interest relating to common industries, demographics and projected future needs and priorities. It recognises existing shared service arrangements and primary travel connections and movements in the region.</p> <p>Under this model, there is the possibility of existing administrative, customer service, and works hubs being maintained in their current locations in order to ensure local jobs, representation and services are maintained. This would be especially important for King Island given its isolation and distinctive needs.</p>
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Strengths	Weaknesses/Challenges
Benefit from larger scale	Challenges of large geographical area
Areas of common interest –rural, agriculture, environment	Ensuring adequate representation
WWC and CHC already work together which will make an easier transition	Financial performance of all Councils in the area uneven
KI would benefit from widened pool of employees and resources	Integration of KI into mainland Tasmania Council practices
Improved procurement opportunities	KI reluctance to discuss / explore options
West Coast get to maintain their own identity	Does this model strengthen sustainability?
Similar demographics	Aging/ declining population

Scenario 2 Western Catchment

	<p>Scenario 2 establishes three council areas within the Western Catchment: (A) The existing West Coast LGA extending north to incorporate Waratah and Savage River; (B) Circular Head and Waratah-Wynyard minus Waratah and Savage River; and (C) King Island existing LGA.</p> <p>Under this scenario, the three councils recognise different communities of interest. Incorporating Waratah and Savage River into the West Coast area reflects the prevalence of mining communities, and to the north (Council B), the predominance of agriculture. While increasing the area of the south-western council over Scenario 1, this scenario only marginally increases its population and rating base. King Island remains a stand-alone council.</p> <p>Existing customer service, works, and administrative hubs could be maintained under this model, with Waratah’s hub reorientated to the West Coast area. This scenario would be suited to a shared service or cross-LGA coordination mechanism, such as through the Cradle Coast Authority or an authority focussed on this catchment.</p>
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Strengths	Weaknesses/Challenges
Benefit from larger scale	Challenges of large geographical area, particularly for West Coast
Areas of common interest –rural, agriculture, environment, mining maintained in proposed areas	Questionable whether all Councils in this model remain sustainable
WWC and CHC already work together which will make an easier transition	Area C is still isolated with limited rates revenue and area A has a vast area to cover with a smaller population
WC get benefit of additional area and rate base	Aging/ declining population
Retention of a much more 'local' feel to Local Government	Moving areas from one Council to another (eg Waratah) can create risks and challenges from separating out all the historical data, rate payer data and personal data
West Coast and King Island get to maintain their own identity	
Similar demographics	
Corinna, Waratah and Savage River have characteristics that suit existing West Coast LGA	

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Scenario 3 Western Catchment

	<p>Scenario 3 creates one consolidated council area for the Western Community Catchment, combining the communities of Tasmania’s west coast and far north, including that of King Island.</p> <p>Under this scenario, the entire community catchment becomes one LGA, recognising the strong interconnections (for example, through work, travel, service delivery) between communities, and the natural geography of the region. This proposal maximises possible scale benefits for this remote and sparsely populated region and the scope for cohesive coordination to address common challenges across the area.</p> <p>The trade-off for building capability through scale is the need to make greater effort in servicing the specific needs of different local communities. This scenario would require establishing a number of administration and service centres with supporting works hubs in other areas to maintain regional employment and service delivery. It would also depend on establishing robust mechanisms for engaging with communities around the council area to ensure that all voices are represented in council decisions.</p>
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Strengths	Weaknesses/Challenges
Benefits from larger scale	Challenges of large geographical area
Areas of common interest across all of western area	Ensuring adequate representation
Renewable energy zones and partnership agreements for Western Tasmania	Perceived loss of identity and representation for some smaller communities
Greater lobbying voice for areas such as mining royalties / heavy vehicle tax and Regional Development Programs	Reluctant/unwilling participants
Provides collaborated approach to regional tourism	Workforce/travel/rationalisation concerns
Ability to have consistency through this part of the state	
Improved strategic planning	

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