

The Future of Local Government Review- Proposed South East Community Catchment-Comments –

Introduction to the Comments provided.

I have elected to provide comments to the Government’s proposed Local Government Review being a rate payer for a property in [REDACTED]

In opening the introduction, I wish to state that Governments both at State/Territory and Federal levels, often announce at an appropriate time a need for review of a particular Department or a service with a view to streamlining existing services or the method by which service delivery could be enhanced with reduced outlay of funding. They do this with a view to achieving efficiency, through potential cost savings and ensuring that better services could be delivered to its constituents.

We often hear Governments outsourcing its services because it is cheaper to do so. For example, Governments tend to outsource community based health services to Non-Government Organisations (NGO), saying they are better equipped to deliver such services and that they would save the Government money in the long run. My past experience in the State Service tells me that these claims and beliefs are not necessarily true as NGO-service providers are not mugs to be regarded as cheap service providers. There is a saying, *‘if you give peanuts, you get monkeys’*.

In the current Government’s review of the Local Government, the rationale behind this is that there are too many Councils in the State (**29 councils, including 6 city councils**) given the size and population of the State (approximately-545,000), compared to other States on the mainland. Governments often emerge with the proposal for a review of existing level of services, with the aim to reorient service providers, in this case Councils, and consider ways how services could be provided in a cost effective and efficient manner. The current economic climate dictates that Governments are no longer flush with money and therefore need to look at ways how it could remain relevant, deliver services, explore ways of maximising revenue and how best to develop and provide essential services to its communities.

The strategy is to consider the viability of Council amalgamations as an option by exploring how best a larger Council could absorb existing satellite Councils. In adopting this approach, there is no guarantee that existing staff, managers and support staff based at ‘satellite’ Councils would be retained following amalgamation. Once a new organisational structure is determined, some existing staff may be offered the option to reapply for new positions in the newly formed Council. Unsuccessful staff may then be offered other jobs or the option to retire or be made redundant with the severance pay.

The discussion papers are silent on this matter and the paper focuses on service expansion, maximising revenue and remain relevant to meet the needs of its community. The fact that the Tasmanian Government has received community’s concerns (*not fully explained of what*

they are) about the proposed amalgamation may probably be based on fear of potential loss of their livelihood as most know what the likely outcome would be in terms of retaining existing employment within Councils following a review and its recommendations. That would be to reduce the number of Councils, and staffing thus streamlining the services provided, consider synergies that would be of benefit and maximise its revenue base. Generally, discussion papers about amalgamation do not necessarily state the obvious outcome and the degree to which people's tenure of employment would be affected working in these organisations.

It is interesting to note that in the introduction of the discussion paper, the following statement is made, "*The goal is to design local government in a way that allows ALL COUNCILS to develop and maintain the capability that communities need, while delivering services locally, keeping local jobs, and ensuring that all Tasmanians have a strong voice in decisions being made on their behalf.*". This appears to be deceptive at the outset because, if that is the aim, the current Councils (big and small) are already doing just that. So the rationale and motivation behind this review is hidden.

Generally, discussion papers aim to demonstrate to Tasmanians and particularly, the rate payers, the Government's focus as being on delivering local services in a manner that meets the communities' needs, to identify and maximise revenue where possible and plan future developments in the various parts of the State with incentives for home building and attract industries that would create local employment. Attracting industry investments in remote areas as well as tourism would be in the interests of local governments. These developmental initiatives would potentially attract people to establish their homes into areas where local employment would be available.

In considering the Government's two scenarios, I make the following observations.

Scenario 1- Establishment of a new Council that covers the entire Community Catchment (minus the urban areas of Sorell LGA, comprising the current Glamorgan-Spring Bay, Tasman LGAs, with the rural part of Sorell LGA to the north and east of Primrose Sands/Forcett/Orielton.

I do not propose to respond with commentaries under the four headings as recommended (Strengths; weaknesses or challenges; adjustments to be made to maximise the strengths and minimise weaknesses and propose different scenarios), because it tends to restrict people's expression of views, though the intention may be to streamline comments to specifics. Despite this decision, I feel the comments I provide will undoubtedly address those issues as outlined above.

I support the need for Councils to focus on 'supporting strong and empowered local communities; partnerships opportunities for local Governments with the State Government and potential models, options and key considerations for shared service opportunities;

The paper identifies Sorell as ‘becoming a key service and employment hub for much of the lower east coast, while at the same time emerging as a growing ‘satellite’ commuter suburb of Hobart with almost 3,000 residents of Sorell commuting to the city for work on a daily basis’. It also identifies the region (Sorell, Tasman and Glamorgan-Spring Bay LGAs) as having a common economic structure focused on tourism, agriculture and coastal living. The township of Sorell is also identified as a growing commercial, employment and service hub in its own right. It also recognises that people residing in Sorell, Lewisham, Primrose Sands, as well as the Tasman and Glamorgan-Spring Bay often commute between these areas for various reasons. (e.g. there are many shack owner communities and a high proportion of holiday homes) however, about 42% of the dwellings in the Catchment area were reported in the 2021 Census as having been vacant. This then would suggest that these holiday homes and shack owners do not necessarily reside permanently in them but live elsewhere closer to the township of Sorell and nearby places such as Primrose Sands, Dodges Ferry, Copping, Dunalley and Midway Point.

An interesting point to note is the large number of visitors levels in the region in particular the Tasman LGA which recorded an approximate number of 247,000 visitors and 350,000 visitors to the Freycinet National Park annually. This is a positive indication that suggests that with further development of new initiatives in these areas it could potentially attract tourists which would bring in tourism dollars. However, a point made in the discussion paper suggests that South East Tasmania faces many challenges associated with an ageing population (22% of people over 65 years of age) and workforce shortages. Medical services are funded by the Glamorgan-Spring Bay Council through a special levy imposed on rate payers, but the paper fails to state what the amount is or the percentage of the levy and what level of medical services are provided in these areas. Nevertheless, this region also experiences significant economic disadvantage due to their small scale and limited revenue bases (see below).

The paper also discussed natural disasters that had occurred in 2013 bushfires; however, I do not see the relevance of this issue being included in the discussion paper, because natural disasters are just that. they are natural disasters which could possibly be managed with early preparation. The point made here may be that these natural disasters may have discouraged many people from remaining in those areas and perhaps had resettled elsewhere in other parts of the region due to Government inaction to take remedial solutions. These natural disasters may have had a negative impact on people’s decision to remain in these areas and this should be a concern for Governments to ensure that more attention is paid to prevent fire disasters occurring in the future.

Financial Sustainability

In **Scenario 1**, the indicative financial sustainability of the areas point to the rateable value of residential land to approximately \$4,129,500,000, primary production \$740,200,000; Industrial; commercial and other rateable land would add to a total value of **\$6,568,600,000**. Though this highlights the potential revenue that could be extracted in the future (they would actually be worth more than the estimated value over the coming years), the sad truth of the

current situation is that the estimated annual revenue is an approximate amount of \$15.7million.

The paper suggests that under this model it would still be possible to maintain the existing administration, customer service needs and work hubs in Nubeena and Triabunna so as to support the maintenance of local jobs, etc. What this means is that there would be no opportunity for the LGA to expand and things would remain stagnant for the future unless we have the revenue base for the outlay of additional funds for developmental purposes. Considering the detailed analysis provided for **Scenario 1, I do not support the proposal to maintain the status quo**, as we need to consider the broader picture and make headway which would enable identification of the revenue base for further development.

Scenario 2

This scenario outlines all the possible benefits of amalgamation (*with the exception of Bicheno that remains in the North-East region*) of the existing Glamorgan-Spring Bay, the Tasman and Sorell LGAs with the resultant population of approximately 23,000 residents and strong population growth, there would be opportunities for increased economies of scale supported by a community with shared interests.

The strengths of this scenario are that with a single council, it would act as the main administrative and commercial hub and smaller dispersed regional towns, and rural communities. It assumes that 90% of the residents would be within a 30 minutes' drive of the service and administrative hub of Sorell, Triabunna and Nubeena.

The median age of Sorell residents is 41.6 compared to those of the Tasman and Glamorgan-Spring Bay regions which is 57.2 and 57.6 respectively, and suggests that an ageing population will require increased need for medical services which at the present time is being provided by the medical centres located in Bicheno and Triabunna. Furthermore, in Scenario 1, the number of people with a disability is relatively high (31.2%) in the Glamorgan-Spring Bay LGA, suggesting that these residents may not necessarily be engaged in any type of employment and will require continuous medical and other support services from the State's health services which may be provided either directly from Hobart or contracted via the local medical centres in the LGAs.

In terms of revenue in this Scenario, there is potential for an increase in revenue to the tune of \$25,300,000. This means there would be better scope for expenditure outlays in other regions of the newly established Council. The value of residential rateable land in this scenario is \$7,175,500,000 and other rateable land for primary production, industrial, commercial, vacant and other land is a whopping \$9,700,700,000 which could only increase in value over the coming years.

Sorell is now the fastest growing region with many people residing in established homes in Sorell, Midway Point, Dodges Ferry, Primrose Sands and nearby suburbs. The Sorell

municipality has a good track record in attracting business investments into that region and will be able to expand and develop the areas within its newly created municipality with additional sealed roadworks, planning and land development, and support the LGAs of the Tasman, Glamorgan-Spring Bay and Nubeena regions.

In terms of road infrastructure, there is an approximate 408.0 kilometres of unsealed road with an equal number 407.0 kilometres of sealed road. So, when these unsealed roads are sealed resulting in improved roadways and ease of accessibility, the Council could undertake land developments by attracting land developers to develop land for private sale on newly released plots of land. There are already supermarkets established in Sorell as well as petrol stations. With further land development beyond these boundaries towards Forcett, Primrose Sands and Dodges Ferry, the likelihood of people deciding to moving into those areas with a view to building their new homes would be increased.

The Council would also be able to attract suitable industries to these areas with Government incentives which could potentially create new employment opportunities in newly established supermarkets, petrol stations and other business activities. There would undoubtedly be enormous opportunities for the newly established Council to draw up a five-year developmental plan in consultation with the local communities.

There are already business activities such as the Port Arthur site, Maria Island, and Freycinet National Park and these bring in tourism dollars for the region.

There will still be a need to maintain 'Satellite' Councils in the Nubeena, the Tasman and the Glamorgan-Spring Bay LGAs to act as back up depots with maintenance staff who are locally placed. From an operational perspective, there would still be a need to consult with local communities for local needs but with a lesser need for shared services. As with a larger population and rating base, the Council would be able to deliver the range of services to its communities. From an operational and administrative perspective, residents in the LGA of Glamorgan-Spring Bay, Nubeena and Tasman as well as residents in Sorell would need to be informed and educated on the potential benefits from improved services and why there may be a slight increase in their annual rates. Further development of these areas would benefit the entire community in these areas.

Based on the potential benefits that would emerge for the residents in these areas, **Scenario 2** is much preferred and I support this proposal for serious consideration.