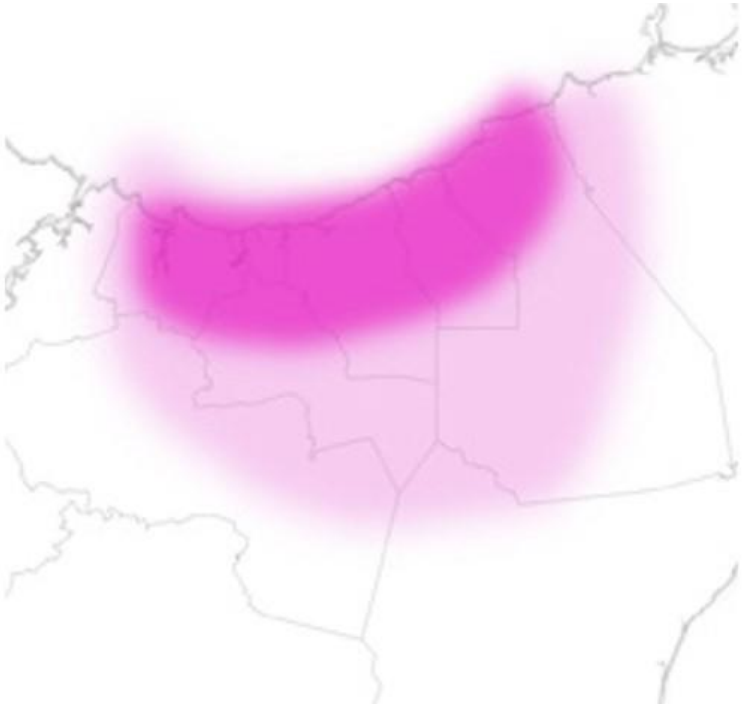
The future of local government review

Cradle Coast Community Catchment Information Pack

Review Stage 3 – May 2023



Let's All Shape the Future
of Local Government.

This information pack 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.

The Local Government Board designed this information pack as a conversation starter for the upcoming Stage 3 consultation.

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1. Introduction

During Stage 3 of the Review, the Board will be engaging with communities to look at how we might reshape Tasmania's local councils to increase scale and capability so they can better serve clearly identified communities of interest. The goal is to design local government in Tasmania in a way that allows all councils to develop and maintain the capability that communities need, while delivering services locally, keeping jobs in local communities, and ensuring that all Tasmanians have a strong voice in decisions being made on their behalf.

This information pack provides detailed insights into the Cradle Coast Community Catchment, outlining four possible structural reform scenarios. **These scenarios are not the only options for reform.** They are designed to prompt a discussion about some of the possible pathways available to deliver a more capable and sustainable system of local government.

Communities and councils may have their own ideas about how local government could be better organised in their catchments. The Board welcomes alternative suggestions as part of the engagement process.

Where have these scenarios come from?

Each of the scenarios in the information pack has been developed using the Board's structural reform principles (see text box on the following page) and the following four criteria.

1. **Place and Representation**
2. **Future Needs and Priorities**
3. **Financial Sustainability**
4. **Operational Capability.**

Scenario 1 – Establishing two separate councils – the western and eastern councils - reflecting natural features and communities of interest

Scenario 2 – Establishing three new council areas capturing coastal and hinterland communities of interest along the Bass Strait coast

Scenario 3 – Establishing a single Cradle Coast Council

Scenario 4 – Establishing two councils divided along the existing Kentish and Latrobe western boundaries, reflecting common settlement patterns, industries and demographics

The Board – in collaboration with the University of Tasmania – has identified and applied a range of relevant data sets to assess the scenarios individually in comparison to one another.

By doing this, we want to test how well the different scenarios meet the criteria. This should promote a conversation about various trade-offs and how these might be managed or addressed. For example, scenarios that propose a larger number of smaller councils may be construed as providing higher levels of representation and local connection but would need to be supported by more extensive shared services and partnership arrangements to achieve the operational scale necessary to deliver long-run capability and financial sustainability. On the other hand, scenarios that include council areas taking in much larger areas may require less in the way of service sharing and may be more 'self-sufficient'.

Structural Reform Principles

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
5. Dedicated and Appropriate Resourcing for the Transition

The data and analysis presented in this Information Pack has been sourced from a range of authoritative sources, including councils, the Australian Bureau of Statistics, the Office of the Valuer General, the Department of State Growth and the University of Tasmania. The Pack also presents the results of modelling undertaken to estimate indicative rates for possible council areas presented in the scenarios. Detailed notes on the methods and assumptions used in this modelling are provided in the Supporting Paper (*Methods and Technical Background*).

The scenarios presented in this Information Pack, and the data and analysis that underpins them, are designed to inform community consultation about the future design of local government in Tasmania and are only one of multiple sources of information the Board will be considering when finalising its reform options.

What do we want councils and communities to tell us?

For each of the scenarios, we want councils and communities to consider four fundamental questions:

1. **What are the strengths?**
2. **What are the weaknesses or challenges?**
3. **Are there any adjustments that could be made to maximise the strengths and minimise the weaknesses?**
4. **Are there any other entirely different scenarios the Board should consider, which would still deliver against the Board's criteria and structural reform principles?**

Boundary changes are only one part of the equation. We also want councils and communities to think about options for complementary, supporting reforms, such as shared services and partnerships, options to improve local services and keep jobs in local communities, and new models of engagement and representation.

To support this conversation, we have prepared a number of *Supporting Papers*, which present a range of opportunities for councils and communities to consider. The Papers draw on research about new and evolving approaches in local government elsewhere, as well as the ideas that we have heard from talking with councils, state agencies, and the broader community, including from submissions we have received.

These papers focus on:

- **Supporting strong and empowered local communities (protecting and enhancing local voice and local services);**
- **State government partnership opportunities for local government; and**
- **Potential models, options, and key considerations for shared service opportunities in Tasmania.**

We want people to keep these opportunities in mind as they consider how they might work with or support the operation of new council boundaries and new models of service delivery. Some of the opportunities might only make sense or be effective under some scenarios, while others might work across the board.

At this stage, the Board wants to encourage creative thinking about how we build new council structures that are not just more capable, but which can deliver more equitable outcomes and access to services and technology for all of Tasmania, particularly in our rural and regional communities.

The intent here is consistent with the Board's approach to community centred consolidation - to more flexibly and genuinely reflect and support what communities will want and need into the future. Our aim is to look at how future councils can access the benefits of scale yet remain responsive to local needs. A large part of this is to consider how we reorient representation and services around citizens and the people who access services and build administrative structures that can deliver that flexibility.

Please note: The Supporting Papers also include fact sheets which explain key data sets, data definitions and associated methodology.

Navigating the Information Pack

The Information Pack is divided into five main sections:

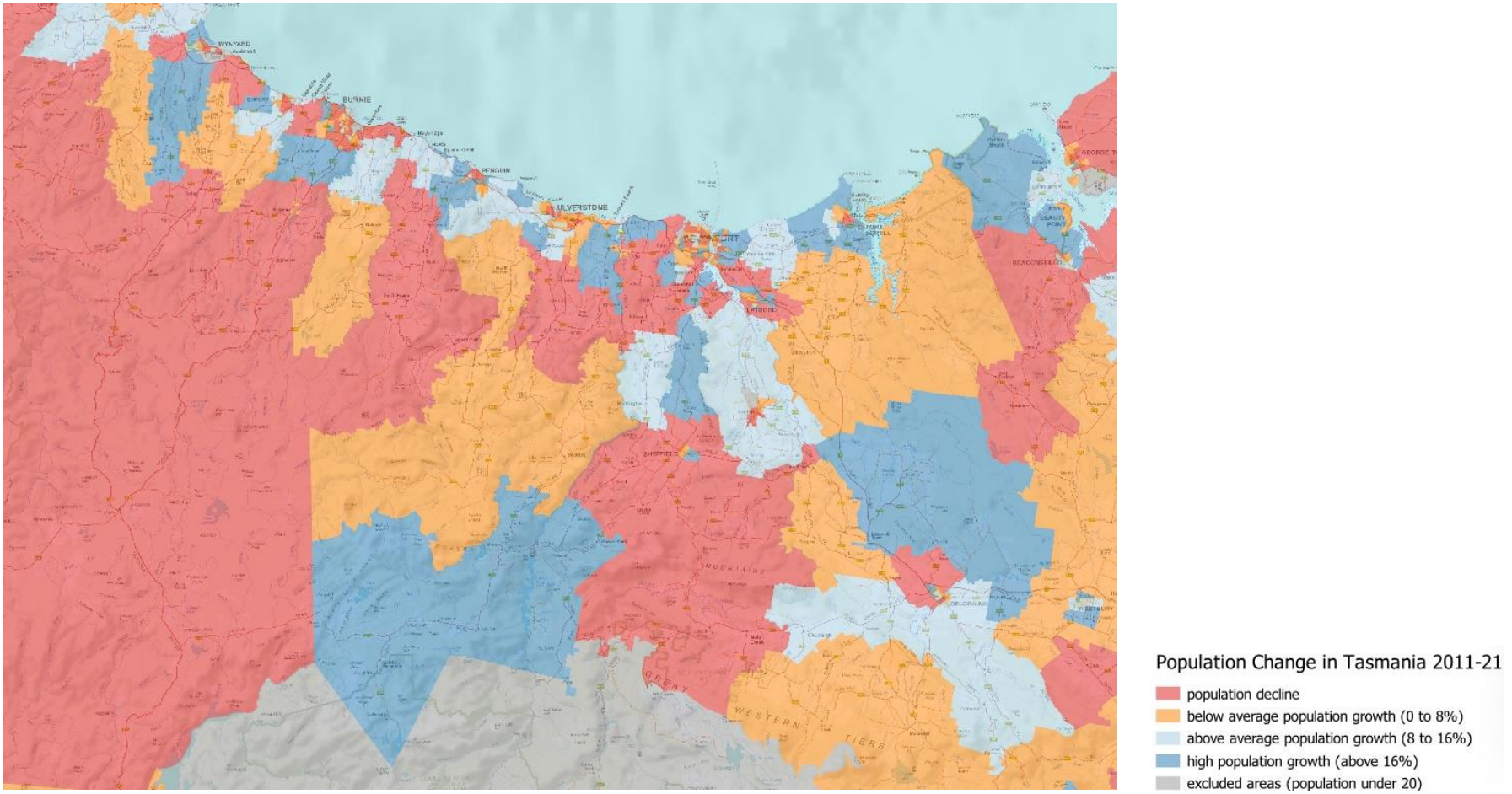
1. **Introductory information about how to interpret and use the Information Pack (this section);**
2. **An overview of the Cradle Coast catchment, including key demographic, economic, and geographic features;**
3. **An explanation and analysis of each of the individual structural reform scenarios against evaluation criteria data;**
4. **A comparative summary of all the scenarios against the evaluation criteria data; and**
5. **An appendix, which presents analysis of existing councils within (or partially within) the catchment.**

2. An overview of the Cradle Coast Community Catchment

The Cradle Coast sits in the arc of the state's central north coast, with natural borders formed by Cradle Mountain, Black Bluff and Mount Roland to south, Narawntapu National Park and Dazzler Range to the east, and the Inglis River to the west.

Some of Tasmania's most significant rivers – such as the Mersey, Leven and Emu – connect the Cradle highlands to the coast.

The north-west coast has long had a strong sense of connection and shared identity based on common geography and its 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, including Business Northwest, West North West Working, and Big hART for example.



The catchment border includes (in whole or part) five existing LGAs – Kentish, Latrobe, Central Coast, Burnie and Devonport. Waratah-Wynyard has been included in this conversation to help establish the most appropriate western boundary of the catchment.

While the Cradle Coast hosts several important regional centres – Burnie, Penguin, Ulverstone, Latrobe, Sheffield, Devonport and potentially Wynyard – 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 1000 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.

The region also faces common challenges including an ageing population and rural areas of static or declining population, while the city of Burnie and the Latrobe area have experienced recent population growth (see Commuting Connections map, page 11). The region is in economic transition with long-term decline in manufacturing jobs but 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 - so service needs in the future are likely to be high. A highly capable system of local government could serve as a strong local partner for State and Commonwealth government programs in these areas.

The Cradle Coast region has many assets which can be leveraged through improved coordination and advocacy delivered by larger and more capable/better resourced councils. These include opportunities in the renewable energy sector and advanced manufacturing, given existing expertise, natural resources and close transport links to mainland markets. The region will likely continue to be a leader of productive agriculture and food production in Tasmania, renowned for both the quality and quantity of its produce (meat, grains, vegetables and fruit, dairy, and a range of 'niche' agribusinesses), fertile soils and reliable rainfall (supported by several irrigation schemes). The area's mild climate, natural values and relative affordability make the area attractive, not only to tourists, but to tree changers and climate 'refugees' from the mainland.

In this catchment, the Board wants to talk to councils and communities about how to best establish a system of local government that can:

- coordinate the development that is occurring in the growing coastal parts of the catchment
- advocate effectively to the State and Commonwealth Governments to play their part in providing infrastructure and to partner on economic development and job opportunities
- provide services to both older and younger residents, given the concentrations of both young families and retirees
- provide fair and equitable services and representation to both urban and rural residents.

Tasmania's changing community dynamics

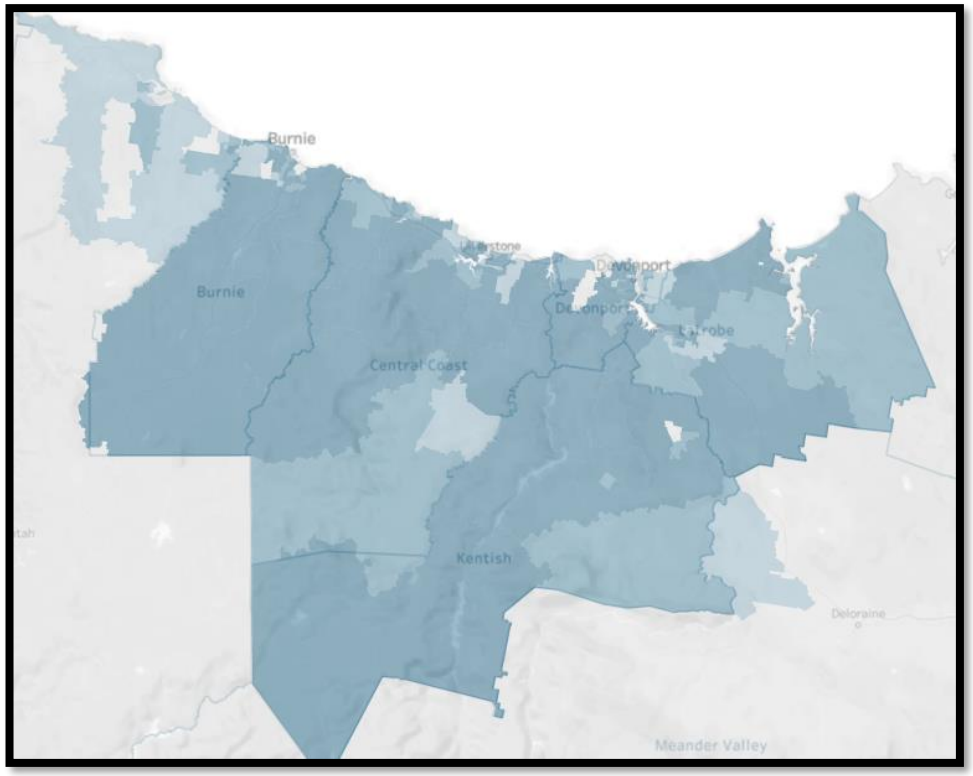
Tasmanians are much more mobile than a generation ago and a growing number of residents cross at least one local government boundary every day. One widely accepted way of defining a 'community of interest' that provides insights into the appropriate scale for local government is to identify the areas in which most residents live, work and use government services (Productivity Commission 2017). Reflecting this approach, the Board has produced a series of maps and tables which illustrate commuting to major employment centres as one possible tool to help inform community discussions around boundary consolidation options.

Devonport and Burnie are the major employment and service hubs on the Cradle Coast with combined employment of some 20,500 people. The Cradle Coast commuter map (right) shows the percentage of residents by ABS Statistical Area 1 (SA1) (average population of approximately 400) who work in either central Devonport or Burnie. The data presented in the table below tell us that, while just under 42% of Devonport's workers live in the existing Devonport LGA, a significant number also commute from Latrobe, Ulverstone, Port Sorell, Sheffield, Railton, and even Burnie. This indicates that Devonport has strong resident movement connections with its neighbouring LGAs. The same is true for Burnie. While 46.5% of the Burnie workforce are local residents, a large number also commute to Burnie from all corners the Cradle Coast region.

One clear measure of the extent to which potential future council areas align with communities of interest is the proportion of workers in a council

Commuting connections in the Cradle Coast region

area who also live that area – the local workforce ratio. For the existing LGAs in the Cradle Coast region, this figure ranges from 34% to 70% but jumps to almost 90% when all five are combined.



Key
Unshaded *– SA1s where fewer than 30 workers (less than 13 %) work within the Cradle Coast community catchment*
Light blue *– between 30 and 100 (13%-40%) workers work within the Cradle Coast community catchment*
Dark blue *– more than 100 (40%) workers work within the Cradle Coast community catchment*

		Place of work (SA2)										
		Devonport	Burnie	Ulverstone	Wynyard	Somerset	Latrobe	Port Sorell	Turners Beach - Forth	Penguin - Sulphur Creek	Sheffield - Railton	Launceston
Place of usual residence (SA2)	Devonport	3940	356	546	21	11	723	279	124	46	125	80
	Burnie	195	5166	271	350	292	46	16	18	93	16	34
	Ulverstone	644	688	1962	23	24	153	52	99	146	39	35
	Wynyard	32	917	34	924	121	11	3	0	12	3	15
	Somerset	44	864	35	140	308	5	3	7	18	4	9
	Latrobe	703	67	111	3	0	674	132	28	5	82	34
	Port Sorell	756	93	156	4	6	316	717	19	9	55	81
	Turners Beach - Forth	379	195	351	0	6	83	45	287	30	21	4
	Penguin - Sulphur Creek	209	853	350	44	42	48	14	23	532	4	16
	Sheffield - Railton	582	69	132	10	3	200	71	45	15	994	32
	Local workforce ratio	41.9%	46.5%	42.4%	47%	31.2 %	24.4%	47%	38.2%	52.5 %	63.3%	-

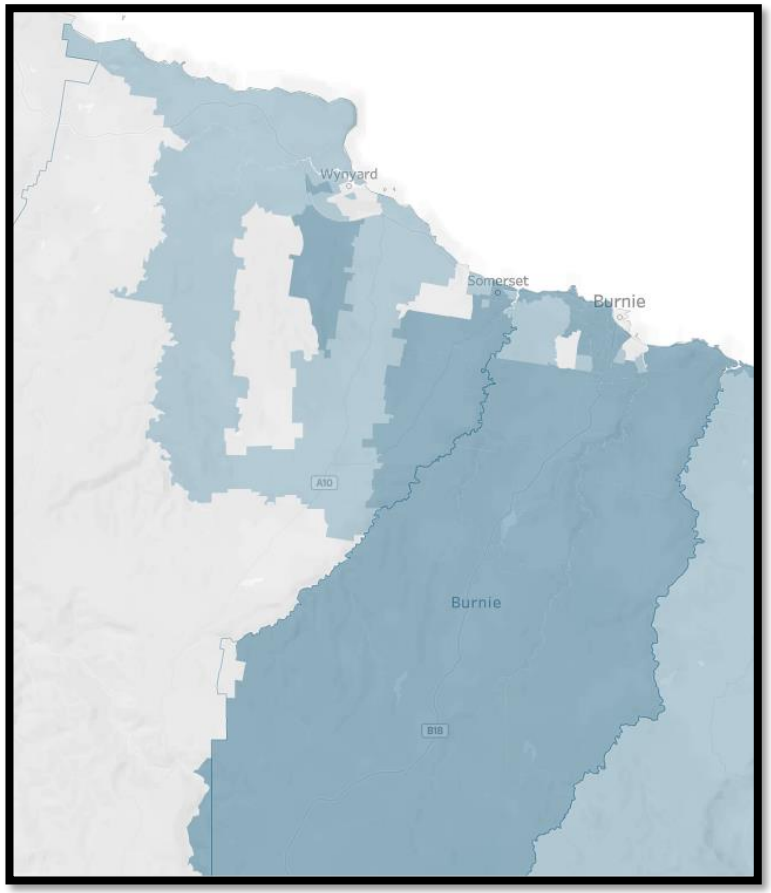
*The data presented in the table above are from the ABS 2021 *Australian Census of Population and Housing* and are based on SA2 areas. In larger or more populous urban areas (such as Devonport, Burnie, and Ulverstone), several SA2s have been combined to reflect established communities as closely as possible.

Wynyard and Somerset

The Board has been considering whether Wynyard and Somerset should be included in the Cradle Coast or Western Community Catchment. A case can be made that the stronger commercial and service centre links are to Burnie, but at the same time, there are arguments that strong historical and industry links connect to areas to the west. Certainly, the community connections to Burnie are weaker in other parts of the current Waratah-Wynyard council area. Waratah-Wynyard Council has service sharing arrangements with both Burnie and Circular Head Councils, but a significant resource sharing agreement with Circular Head Council covering shared staff, integrated strategic and operational planning, joint procurement, plant and equipment, policies and procedures and shared contract management.

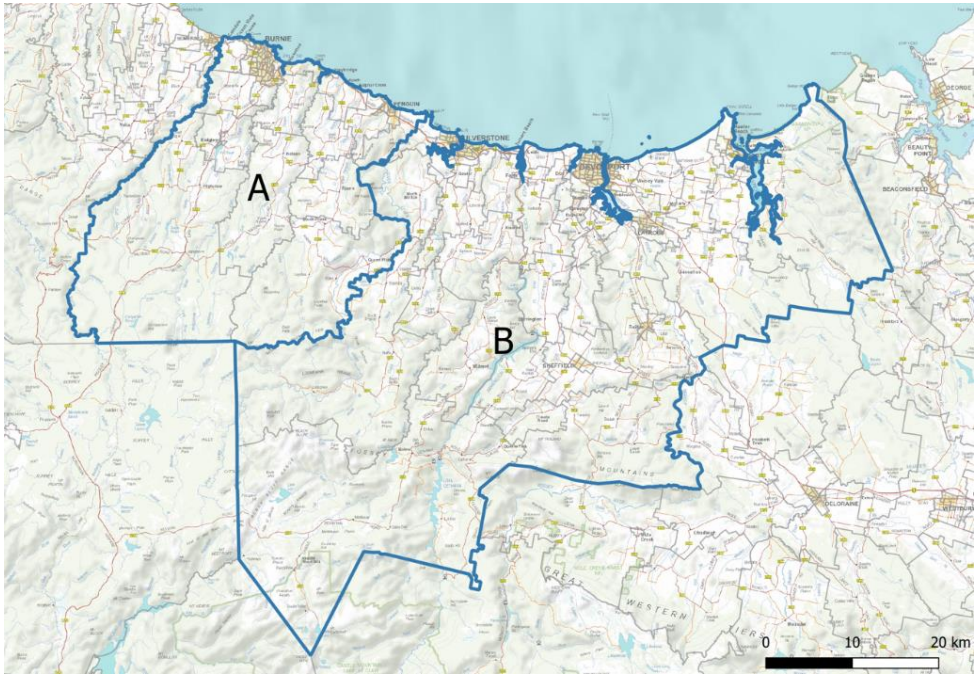
The map opposite shows Burnie's westerly commuting zone and more than twice the number of Somerset residents work in Burnie as in Somerset (also see table above). Relatively few Somerset residents commute to Wynyard, however, suggesting a much stronger connection between Burnie and Somerset than exists between either Somerset and Wynyard or Wynyard and Burnie. In some of the scenarios discussed here, Somerset and Wynyard form the western edge of one of the Cradle Coast councils, while in others they remain an eastern part of a western council. For all scenarios, the Board is interested in testing views on which of these alternatives would best serve and reflect how the community sees itself.

Wynyard and Somerset's commuting connections



Key
Unshaded *– SA1s where fewer than 30 workers (less than 13 %) work within the Burnie LGA*
Light blue *– between 30 and 100 (13%-40%) workers work within the Burnie LGA*
Dark blue – more than 100 (40%) workers work within the Burnie LGA

Cradle Coast: Scenario 1



Overview

Scenario 1 establishes two new council areas within the Cradle Coast Community Catchment. The first (A) combines the existing Burnie LGA with areas of the existing Central Coast Council from west of the Leven River along the Dial Range.

The second (B) combines existing Kentish, Latrobe and Devonport LGAs, and Central Coast Council areas east of Penguin and the Dial Range.

Under this scenario, the two councils have been identified based on residents who commute or travel regularly to the economic and population centres of Burnie and Devonport. The proposed boundary sits between Penguin and Ulverstone and broadly follows the alignment of the Dial Range, recognising these communities' stronger interconnections towards the centres to their west and east respectively.

There is potential to maintain existing customer service centres and works hubs in Burnie, Devonport, Ulverstone, Sheffield, and Latrobe, as discussed further below.

Council Area	2021 Population	% Growth 2011-21
Area A	26,390	4.2%
Area B	61,493	10%

Rationale and evidence

Scenario 1 is based on a strong alignment between council boundaries with communities of interest and the geography of the region. Boundary reforms consistent with this scenario would benefit the Cradle Coast by increasing the scale and capability of the councils serving the community and would likely deliver improved service and function outcomes relative to the reform criteria. The two new councils would have larger workforces, enhancing recruitment offerings and enabling career development and progression.

They would also have larger populations than any currently existing council in this catchment area. Area B (61 000) would be considerably larger and more populous than Area A (26 000) under this scenario and is estimated to have a significant rate revenue as well (approximately $49 million). These differences in size and rating capacity can, however, be mitigated to an extent via the consolidation and expansion of existing service sharing relationships in areas including waste, regulatory services, and asset management, in addition to the benefits more consistent (and potentially centralised) corporate back-office systems and/or service sharing may bring.

Because of the significant interaction and engagement between Burnie, Devonport and the rest of the Cradle Coast region, there would still be an ongoing need for whole-of-region cooperation and service sharing, as well as collaboration with other tiers of government (noting this would be considerably less complex than is currently the case given that only two councils would be involved, rather than the current five).

Alignment with the principles for successful structural reform

Focus on future community needs: Both councils in this scenario include major coastal towns and their more sparsely populated rural hinterlands, but almost all residents would still be within a 30-minute drive of the major service and administrative hubs of Burnie and Devonport. This proximity will enable continued access to services close to residents' homes and would ensure economic diversity amid the ongoing transition from predominantly manufacturing to services industries. Under this two-council model, there would be a regional hospital in each council area.

Consolidation would support enhanced capabilities in areas such as strategic planning, and development and environmental health assessment, and could help manage issues such as urban consolidation via consistent infrastructure, strategic, and land-use planning. This scenario would assist in streamlining coordination in the implementation of existing strategic planning initiatives, such as the Cradle Coast Regional Land Use Strategy (CCRLUS), although not to the same extent as Scenario 3. Council B would likely need to take a regional lead on some of these issues, given its greater scale and assumed capability compared to Council A.

Waste services are already shared across the region through the Dulverton Regional Waste Management Authority and the Cradle Coast Waste Management Group. Maintaining and expanding waste service offerings, such as through more consistent kerbside collection options, should be made easier under this scenario. It could also mean simpler waste contract management for the two councils. Increased scale would also equip councils with greater capacity for improved regulatory services, such as building, environmental health and plumbing. This should enable better

access to quality advice for customers and more consistent regulation and compliance across the region.

Retain local jobs and services: This scenario offers scope to retain council administrative and operations hubs in Ulverstone, Latrobe, and Sheffield, thereby maintaining local employment and supporting local engagement and service delivery. Devonport Council and Service Tasmania have already fully integrated their customer service centres, making it simpler for residents to engage with state and local government services face-to-face. Given the size of new councils under this scenario, there is potential to expand this approach across the catchment in other key regional centres.

The integration of centralised or standardised corporate 'back-office' systems or services for council finance and administration may reduce staff time spent on repetitive transactional tasks, allowing them to focus on improving services to council staff and communities (see Supporting Paper on *Shared Services models*). In combination with the increased workforce size of these new entities, this is likely to lead to significant economies of scope. While consolidated councils could lead to greater sharing of road maintenance teams and equipment, there would still be a need to maintain regional depots across the council area. Larger regulatory services teams should provide greater capacity to manage workloads, allow for business continuity during periods of leave, and help to attract and retain specialist staff – all of which currently present challenges to existing councils in this area.

Preserve and enhance local voice: The increased revenues of the two new, larger councils proposed in this scenario should enable increased capacity to invest in new and more systematic approaches to community engagement, ensuring all communities within these larger areas are heard and represented, particularly those in the rural hinterland away from more populous coastal areas. If required, there would also be scope to introduce community advisory panels regularly consulted by council to ensure constituents enjoy enhanced formal representation and direct influence in the decision-making process including community budget priorities (see Supporting Paper on *Supporting Strong and Empowered Local Communities*). Operations hubs could also be used for a program of scheduled regional council meetings in different areas of the municipality.

Fair funding models: Applying existing rates and funding models to the new council areas, total rates revenue in 2021 dollars would be an estimated $21.5 million for Council A and $49.1 million for Council B. The area would have access to rates revenue from a relatively well-balanced mix of residential, commercial, and industrial land. There is a range of approaches to rating across the Catchment, highlighting the need for carefully designed funding and transition arrangements. The Board acknowledges presently the total rates per capita in Devonport and Burnie LGAs is considerably higher than in Central Coast, Kentish, and Latrobe. Looking at residential rates per capita, the differences are smaller as it is clear that Devonport and, to a lesser extent, Burnie raises more rates from non-residential sources.

Appropriate resourcing for transition: Transition arrangements for this scenario would need to consider how services currently provided by the Cradle Coast Authority, both to member councils and other councils across the broader region, would be undertaken under the new arrangements.

The fair treatment of debt held by all councils, as well as their current rating variations and assets, would need to be considered when establishing new councils. Geographic Information Systems (GIS) and asset management platforms and services vary across councils. While it would be cost-efficient to move to single platform, the differences between existing systems are again likely to involve transition challenges and associated costs, necessitating a gradual, staged migration towards common systems.

Community data and alignment with reform criteria

The table below presents demographic, household, employment and operational council data for hypothetical councils established under Scenario 1. These data have been produced by analysing 2021 ABS Census (SA1 level) and other relevant data sets to align with the hypothetical boundaries of the new areas proposed in each scenario.

As we have indicated, these data are indicative and are designed to inform community discussions about the merits of different structural reform options. Structural reforms adopted by the Tasmanian Government based on the Board's recommendations will likely be subject to a detailed technical review and implementation plan. While every effort has been made to ensure consistency and accuracy, variation between SA1 and LGA boundaries may mean that some of the figures below may differ slightly from existing council statistics. Detailed methodological notes are presented in the *Methods and Technical Background Supporting Paper*.

Summary Data – Scenario 1

Category		Measure	Council A	Council B
Overview	Demographics	Population	26,390	61,493
		Median age	41.7	46.1
		SEIFA (decile)[1]	3	2
	Housing	Total dwellings	11,660	27,027
		No. of single person households	3,293 (30.9%)	7,401 (29.8%)
		% dwellings vacant	8.3	8.3
		Indicator		
1. Place and Representation	Alignment with local communities of interest	% of area workforce residing locally	50.5%	84%
	Established administrative, commercial and service hub/s	% of population within 30 mins of administrative hub	100%	96%
	Urbanisation	% of population in urban areas of population 10,000 or greater	64%	61%
	Mobility/Migration	% of population living at a different address 5 years ago	34.2%	34.2%

[1] SEIFA', or 'Socio-Economic Indexes for Areas', is an index developed by the Australian Bureau of Statistics which ranks areas in Australia according to relative socio-economic advantage or disadvantage.

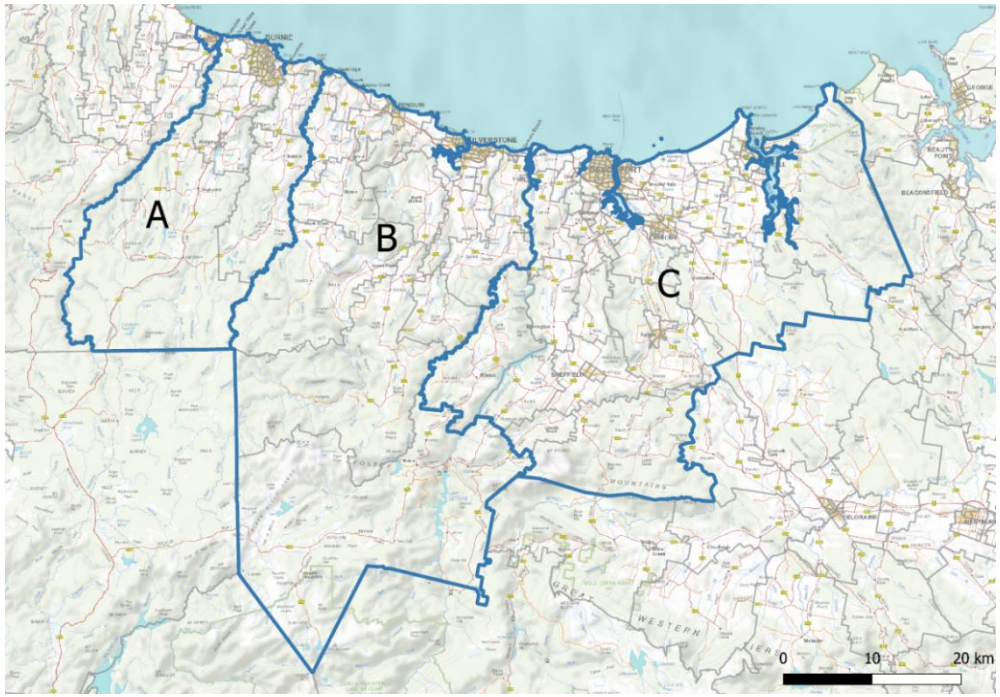
Category		Measure	Council A	Council B
2. Future Needs and Priorities	Population growth	Population change *2011-21*	1,057 (4.2%)	5,606 (10%)
	Housing supply and infrastructure demand	Change in occupied dwelling numbers (2011-21)	743	3,035
		% Change in occupied dwelling numbers (2011-21)	7.5%	13.9%
	Employment growth	Change in employment 2011-21 by place of residence	8%	13%
	Older/ageing communities	% Population over 65	16%	18%
	Younger communities	% Population under 15	20%	19%
3. Financial Sustainability	Value of rateable land	Value of rateable land - residential	$4,223,300,000	$11,084,000,000
		Value of rateable land - primary production	$653,800,000	$1,557,700,000
		Value of rateable land - industrial	$225,900,000	$499,100,000
		Value of rateable land - commercial	$456,200,000	$947,800,000
		Value of rateable land - vacant	$158,786,900	$515,457,000

Category		Measure	Council A	Council B
		Value of rateable land - other	$557,500,000	$1,096,900,000
		Value of rateable land - total	$6,275,400,000	$15,700,900,000
	Estimation of theoretical rate revenue applying current rates[2]	Estimated rate revenue - residential	$13,400,000	$33,800,000
		Estimated rate revenue - commercial	$3,600,000	$5,300,000
		Estimated rate revenue - industrial	$1,700,000	$3,300,000
		Estimated rate revenue - primary production	$1,800,000	$4,300,000
		Estimated rate revenue - vacant	$500,000	$1,600,000
		Estimated rate revenue - other	$500,000	$800,000
		Estimated rate revenue - total	$21,500,000	$49,000,000
	Road Infrastructure	Km of council roads - sealed	512.1	1,082.2
		Km of council roads - unsealed	83.0	358.5

[2] There are limitations involved with this analysis, and it is acknowledged that the modelled revenues underestimate actual council revenues in some instances. The modelled revenues are a superior measure of relative fiscal capacity between council scenarios, and caution is advised for any comparison between modelled revenues for scenarios and existing councils. More information is provided in the Methods and Technical Background Supporting Paper.

Category	Measure	Council A	Council B
4. Operational Sustainability	• Both councils would have a larger population base than the current largest council in the catchment, Devonport, ensuring both councils should have the capacity to provide high quality services to their communities. • There is likely to be potential for both councils to further extend their capability through service-sharing arrangements, particularly in the areas of 'back-office' services (regional or state-wide), waste management (catchment, regional or state-wide sharing), regulatory services (regional sharing), asset construction and maintenance (catchment or regional sharing).		

Cradle Coast: Scenario 2



Overview

Scenario 2 would establish three council areas: (A) the existing Burnie LGA incorporating Somerset; (B) the existing Central Coast LGA extended to incorporate south of Cethana and Moina (currently in Kentish LGA); and (C) the combined existing Latrobe, Devonport, and eastern part of Kentish LGAs (minus the areas south of Gowrie Park).

Under this scenario, the Community Catchment has been divided to cluster more sparsely populated regional communities around their closest primary economic and population centres, recognising that the coastal centres of Burnie, Ulverstone and Devonport are important service hubs for their hinterland communities. Adjustments to boundaries, such as extending the Burnie LGA to encompass Somerset, partially reflect commuting and travel patterns (see discussion on p.13). As mentioned above, the Board is interested in feedback on whether the western boundary of council area A should be extended to the west beyond Somerset to include Wynyard as well.

The three urban centres in this scenario would likely maintain existing service hubs for their respective councils, with the potential to also maintain service centres and works hubs in Sheffield and Latrobe, as discussed further below.

Rationale and evidence

Under Scenario 2, the boundaries of Burnie City Council and Central Coast Council are expanded slightly, and eastern Kentish, Latrobe and Devonport City Councils are combined to more accurately reflect local communities of interest. The trade-off inherent in this change is that the three resulting areas have smaller populations than under other scenarios – particularly scenarios 1 and 3 - and therefore may create councils with less capability.

Council Area	2021 Population	% Growth 2011-21
Area A	23,279	2.7%
Area B	22,997	7.9%
Area C	44,968	10.8%

To address cross-cutting issues such as strategic land use planning, there would still be a need to continue substantial cross-LGA coordination through a mechanism like the current Cradle Coast Authority. Further service-sharing arrangements may be necessary to reduce the risk of the three councils competing for scarce specialist technical staff.

This scenario would benefit the Cradle Coast community by maintaining councils focussed on existing local communities of interest while slightly increasing the scale and capability of the three proposed councils, although not to the extent of the other scenarios. Analysis of commuting connections presented above suggest that the new areas proposed under this scenario are reasonably well aligned with residents' daily movements and communities of interest. Between 55 and 60 % of workers in (A) and (B) live locally while this figure increases to 81% in the larger eastern council area.

Under this scenario, Ulverstone would be retained as an administrative hub and continue to service the Central Coast community. While a three-council model would require greater regional coordination and cooperation relative to other reform scenarios, it still represents improvement on current council scale (and therefore assumed capability, capacity, and scope) than the status quo.

Alignment with the principles for successful structural reform

Focus on future community needs: The three councils established under this scenario all include both major coastal towns and rural hinterland areas. While service centres could be retained throughout the three councils, input from the community will be important to the Board's consideration of whether a three-council model is the most effective and sustainable for balancing local representation with the provision of consistent and high-quality services across the Cradle Coast region.

Under this scenario, the larger communities of interest surrounding Burnie, Devonport and Ulverstone are captured within discrete council areas, although a significant number of Ulverstone residents (644) also commute to Devonport on regular basis. The township of Somerset has been included in council area A (rather than in the Western Tasmania Community Catchment) given its proximity and connections to Burnie city (see p.13). While a similar argument could be made for also including the town of Wynyard, it has not been incorporated into this scenario, as its connectedness to the Cradle Coast Catchment and its importance as a service and employment hub within its own catchment needs to be further explored (although the Board remains open to council community feedback on this question).

Each of the three councils under this Scenario represent communities with a degree of demographic and economic diversity, which should help ensure financial sustainability, although the central council area (B) does not include a significant regional commercial or service centre such as a regional hospital. The incorporation of regional parts of the coast into larger councils with a more even spread of urban areas also balances the wide gap in median ages across existing Cradle Coast LGAs, which will help to underpin the sustainability of service provision responsibilities related to community health and wellbeing and aged care. Residents are likely to continue to retain strong links to Burnie and Devonport for employment and key services. It is also notable that the strongest population growth has been in area C, while growth in area A has been relatively slow. If this trend continues, it raises questions about the capacity of council A to continue providing high-quality and sustainable services to its community over the longer term.

Under this scenario, all three councils would still need to cooperate extensively in support of existing or expanded shared-services

arrangements, such as Dulverton Waste Management and regional emergency management committees. The coordination of regional strategy and economic development, currently undertaken by the Cradle Coast Authority, would remain an ongoing need. Council C could take a regional lead on some of these issues, given its greater scale and assumed capability compared to councils A and B.

Retain local jobs and services: There is significant scope to retain existing council administrative and operations hubs in the inland townships of Latrobe and Sheffield to maintain local employment and to support local engagement and service delivery. One model for how this could work is provided by Devonport Council and Service Tasmania, which have fully integrated their customer service centres to make it simpler for residents to engage with state and local government services face to face. As in other scenarios, there is potential to apply this in each proposed council area (see Supporting Paper on *State Government Partnership Opportunities*).

Given the relatively small size of councils A and B (serving populations of around 23 000 each), there would likely be a need to continue sharing specialist and technical staff with neighbouring councils at a regional level. Regulatory services (building, environmental health, plumbing) and asset construction and maintenance are considered prime candidates for this approach.

The integration of centralised or standardised corporate 'back-office' systems or services for council finance and administration may reduce staff time spent on repetitive transactional tasks, allowing councils to reallocate resources towards improving the scope and quality of service provision (see Supporting Paper on *Shared Services Models*).

Preserve and enhance local voice: The three new, larger councils in this scenario would have enhanced capacity to invest in new and more systematic approaches to community engagement, ensuring that all communities within the larger council areas are heard and represented. If required, there would also be scope to introduce community advisory panels regularly consulted by council to ensure constituents enjoy enhanced formal representation and direct influence in the decision-making process, including community budget priorities(see Supporting Paper on *Supporting Strong and Empowered Local Communities*). Operations hubs could also be used for a program of scheduled regional council meetings in different areas of the municipality.

Fair funding models: Applying existing rates and funding models to the new council areas, total rates revenue in 2021 dollars would be an estimated $19.0 million for Council A, $16.3 million for Council B, and $37.2 million for Council C. While this represents an improvement in the balance of revenues across all three authorities, a degree of disparity remains, suggesting that continued and expanded cooperation and service sharing would be required to underpin consistent, high-quality service provision across all three areas. All three councils would have access to rates revenue from a mix of residential, commercial, primary industry, and industrial land. There is a range of approaches to rating across the Catchment. This highlights the need for carefully designed funding and transition arrangements.

Appropriate resourcing for transition: Given this scenario involves fewer changes to existing council structures than other scenarios, the transition costs would be expected to be lower and more evenly distributed across the region. The possible inclusion of Somerset (and potentially even Wynyard) would, however, require careful transition arrangements and would also have 'knock-on' impacts in the Western Community Catchment. The separation of the south-western part of the current Kentish Council to

Council B would also need to be considered. This is because the rest of the current merged administration of Kentish and Latrobe Councils would become part of Council C.

Finally, transition arrangements for this scenario would also need to consider the role of the Cradle Coast Authority, both in relation to member councils and other councils across the broader region, under the new arrangements. Similarly, the debt held by all councils, as well as the rating variations, would need to be considered as part of the transition arrangements when establishing new councils.

Community data and alignment with reform criteria

The table below presents demographic, household, employment and operational council data for hypothetical councils established under Scenario 2. These data have been produced by analysing 2021 ABS Census (SA1 level) and other relevant data sets to align with the hypothetical boundaries of the new areas proposed in each scenario.

As we have indicated, these data are indicative and are designed to inform community discussions about the merits of different structural reform options. Structural reforms adopted by the Tasmanian Government based on the Board's recommendations will likely be subject to a detailed technical review and implementation plan. While every effort has been made to ensure consistency and accuracy, variation between SA1 and LGA boundaries may mean that some of the figures below may differ slightly from existing council statistics. Detailed methodological notes are presented in the *Methods and Technical Background Supporting Paper*.

Summary Data – Scenario 2

Category		Measure	Council A	Council B	Council C
Overview	**Demographics**	Population	23,279	22,997	44,968
		Median age	41.6	47.2	45.5
		SEIFA (decile)[3]	2	3	2
	Housing	Total dwellings	10,423	10,047	19,777
		No. of single person households	3,140 (32.8%)	2,735 (29.5%)	5,350 (29.6%)
		% dwellings vacant	8.1	7.6	8.6
		Indicator			
1. Place and Representation	Alignment with local communities of interest	% of area workforce residing locally	60.2%	55.8%	81.6%
	Established administrative, commercial and service hub/s	% of population within 30 mins of administrative hub	100%	97%	97%
	Urbanisation	% of population in urban areas of population 10,000 or greater	87%	55%	55%
	Mobility/Migration	% of population living at a different address 5 years ago	34.2%	32.3%	35.1%
2. Future Needs and Priorities	Population growth	Population change *2011-21*	621 (2.7%)	1,691 (7.9%)	4,368 (10.8%)

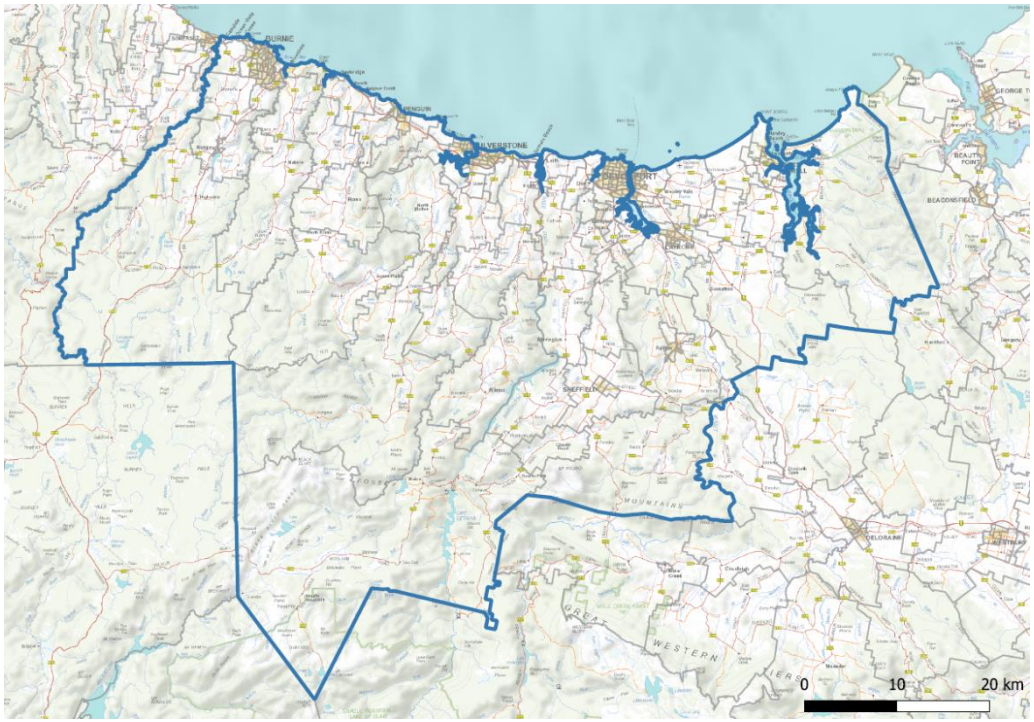
[3] SEIFA', or 'Socio-Economic Indexes for Areas', is an index developed by the Australian Bureau of Statistics which ranks areas in Australia according to relative socio-economic advantage or disadvantage.

Category		Measure	Council A	Council B	Council C
	Housing supply and infrastructure demand	Change in occupied dwelling numbers (2011-21)	574	1,008	2,303
		% Change in occupied dwelling numbers (2011-21)	6.4%	12.2%	14.6%
	Employment growth	Change in employment 2011-21 by place of residence	6%	11%	14%
	Older/aging communities	% Population over 65	16%	19%	18%
	Younger communities	% Population under 10	20%	19%	19%
3. Financial Sustainability	Value of rateable land	Value of rateable land - residential	$3,602,300,000	$4,106,600,000	$8,142,900,000
		Value of rateable land – primary production	$330,600,000	$842,100,000	$1,043,300,000
		Value of rateable land – industrial	$228,000,000	$103,400,000	$409,800,000
		Value of rateable land - commercial	$450,600,000	$276,100,000	$703,400,000
		Value of rateable land - vacant	$117,463,700	$161,700,400	$406,530,700
		Value of rateable land - other	$457,100,000	$373,100,000	$841,400,000
		Value of rateable land – total	$5,186,200,000	$5,863,000,000	$11,547,300,000
	Estimation of theoretical rate	Estimated rate revenue – residential	$11,800,000	$11,600,000	$25,400,000

Category		Measure	Council A	Council B	Council C
	revenue applying current rates[4]	Estimated rate revenue - commercial	$3,600,000	$1,400,000	$4,000,000
		Estimated rate revenue – industrial	$1,700,000	$600,000	$2,800,000
		Estimated rate revenue - primary production	$1,100,000	$2,100,000	$3,000,000
		Estimated rate revenue - vacant	$400,000	$500,000	$1,300,000
		Estimated rate revenue - other	$400,000	$200,000	$600,000
		Estimated rate revenue - total	$19,000,000	$16,300,000	$37,200,000
	Road Infrastructure	Km of council roads - sealed	330.3	561.3	726.8
		Km of council roads - unsealed	46.0	172.0	223.5
4. Operational Sustainability	• All councils would have a similar population base than the current largest council in the catchment, Devonport, ensuring all councils should have greater capacity to service their communities. • Given council A has been an area of lower growth over the last 10 years, its capacity to continue providing high quality services to its community in the long-term will need to be carefully considered in structural design. • There is likely to be a benefit from all councils participate in service sharing arrangements to further extend their capability, particularly in the areas of 'back-office' services (regional or state-wide sharing), waste management (catchment, regional or state-wide sharing), regulatory services (regional sharing), asset construction and maintenance (catchment or regional sharing).				

[4] There are limitations involved with this analysis, and it is acknowledged that the modelled revenues underestimate actual council revenues in some instances. The modelled revenues are a superior measure of relative fiscal capacity between council scenarios, and caution is advised for any comparison between modelled revenues for scenarios and existing councils. More information is provided in the Methods and Technical Background Supporting Paper.

Cradle Coast: Scenario 3



Overview

Scenario 3 creates one new council area for the Cradle Coast Community Catchment, consisting of the existing Central Coast, Devonport, Kentish, Latrobe and Burnie LGAs.

Under this scenario, the entire community catchment becomes a single LGA, recognising the strong interconnections (for example, through employment, travel, industry, and service delivery) between communities, and the natural geography of the region. This proposal maximises possible scale capabilities, and the scope for cohesive strategic coordination across the area.

To maintain local access to services and representation, as well as local employment, this scenario would need to maintain several decentralised administration and service centres as well as regional works hubs, and to be underpinned by strong and well-resourced mechanisms for local community engagement and representation.

2021 Population	% Growth 2011-21
87,883	8.2%

Rationale and evidence

Though large by current Tasmanian standards, with a population of around 88,000 councils of this size (population and area) are common in other states. Importantly, the new council would also be of sufficient scale to ensure ongoing sustainability and the delivery of considerably enhanced capacity to meet current and future community needs.

The Cradle Coast is an established and highly integrated region with strong industrial and commercial links, as well as a common identity and shared, longstanding cultural and social connections. In addition to creating significant scale, a key rationale for establishing a whole-of-region council is that it would effectively negate the need for regional organisations and other structures currently relied upon to facilitate collaboration across councils.

The challenge for a single-council model in this region will be in combining strong, responsive and localised representation, with a consistent standard service delivery across the entire area, although the consolidated council would have the resources (hypothetical rate revenue of $70.6 million) to invest in more comprehensive community engagement programs and the maintenance of accessible administrative and service delivery hubs across the whole region.

Alignment with the principles for successful structural reform

Focus on future community needs: The consolidated council established under this Scenario would have considerable resources and capabilities available to respond to emerging community needs. If existing council offices across the Community Catchment were maintained as a part of a network model, 96% of residents would be within a 30-minute drive of a major service and administrative hub. The trade-off which the community will have to consider is whether a single-council model is the most effective and sustainable way to balance local representation and high-quality services across the entire Cradle Coast.

While each of the major settlements across the Cradle Coast has a distinctive history and identity, the entire region is becoming more integrated with many services and business being organised at a regional scale. In this sense the broader Cradle Coast can be regarded as a largely self-contained community of interest and is increasingly an integrated, functional economic region. This cohesion is clearly reinforced by data on commuting and resident movement: while strong employment connections are evident between all existing local government areas in the Cradle Coast region, these links do not extend into the nearby West Tamar, Launceston, or Meander Valley LGAs. Currently, roughly half of all residents in this catchment cross at least one local government boundary on their way to and from work. If these five areas were consolidated into one, however, this figure would fall to just 7%, indicating not only the strength of internal connections but also the weakness of connections with council areas outside the Cradle Coast (excepting Somerset and Wynyard, see p.12).

Under this model, the scale, revenue, and capacity of the new entity would mean that there would be little need for regional shared-services arrangements. The need for the Cradle Coast Authority or any similar body would need to be reconsidered given the increased capability of the new council, although it could have an ongoing role in areas not traditionally considered core to local government (e.g., natural resource management). A larger regional council would be well placed to advocate strongly for the Cradle Coast community and play an influential role in strategic partnerships with other tiers of government. A single council would also be well placed to deliver more effective and regionally integrated land use and strategic planning, including redevelopment of the Cradle Coast Regional Land Use Strategy (CCRLUS).

Retain local jobs and services: Establishing a single consolidated council to represent the Cradle Coast region would deliver scale benefits including the ability to attract and retain specialist staff and provide great job security and career pathways for all 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.

While a single council would facilitate greater sharing of road maintenance teams and equipment, there would still be a need to maintain several regional depots across the council area as in the other scenarios presented here. A larger regulatory services team would likewise provide greater capacity to manage workloads, allow for business continuity during periods of leave, and help to attract and retain specialist staff.

While the new council would have significant scale, capacity and purchasing power, there may still be benefits in it centrally sourcing some basic common services, such as cloud-based ICT systems, to support council finance and administration (see Supporting Paper on *Shared Services Models*). This would reduce staff time on repetitive transactional tasks and system management, allowing them to focus on improving tailored local services communities.

Preserve and enhance local voice: The greatest challenge under this scenario would be ensuring that a single regional council is able not only to preserve but also enhance local voice, representation, and engagement. Despite its increased size, a single consolidated council would, however, have the capacity to invest in new and more systematic approaches to community engagement to ensure all communities within the larger council areas are heard and represented, particularly those in the rural hinterland areas. In a local government area of this size, there would also be merit in considering mechanisms to ensure that all areas of the Cradle Coast were afforded localised representation on the new council.

If required, there would also be scope to introduce community advisory panels regularly consulted by council to ensure constituents enjoy enhanced formal representation and direct influence in the decision-making process, including community budget priorities (see Supporting Paper on *Supporting Strong and Empowered Local Communities*). Operations hubs could also be used for a program of scheduled regional council meetings in different parts of the council area.

Fair funding models: Applying existing rates and funding models to the new council area, their total rates revenue in 2021 dollars would be an estimated $70.6 million. The consolidated council would have access to a

large and broad rate base drawn from a mix of residential, commercial, and industrial land. There is a range of approaches to rating across the Catchment, highlighting the need for carefully designed funding and transition arrangements. The Board acknowledges presently the total rates per capita in Devonport and Burnie LGAs is considerably higher than in Central Coast, Kentish, and Latrobe. Looking at residential rates per capita, the differences are smaller as it is clear that Devonport and to a lesser extent Burnie raises more rates from non-residential sources.

Appropriate resourcing for transition: Transition arrangements would need to consider the need for existing regional structures and how best to adapt and integrate the systems across five existing councils into an integrated framework to meet the future needs of the Cradle community.

Areas of focus for transition arrangement would include:

- a fair, consistent and equitable rating system across the five former council areas;
- the ongoing role of the Cradle Coast Authority, particularly the services it provides to other councils in Tasmania;
- treatment of debt held by all councils; and
- IT systems, including Geographic Information Systems (GIS) and asset management platforms.

Community data and alignment with reform criteria

The table below presents demographic, household, employment and operational council data for the hypothetical council established under this scenario. These data have been produced by analysing 2021 ABS Census (SA1 level) and other relevant data sets to align with the hypothetical boundaries of the new areas proposed in each scenario.

As we have indicated, these data are indicative and are designed to inform community discussions about the merits of different structural reform options. Structural reforms adopted by the Tasmanian Government based on the Board's recommendations will likely be subject to a detailed technical review and implementation plan.

While every effort has been made to ensure consistency and accuracy, variation between SA1 and LGA boundaries may mean that some of the figures below may differ slightly from existing council statistics. Detailed methodological notes are presented in the *Methods and Technical Background Supporting Paper*.

Summary Data – Scenario 3

Category		Measure	Council
Overview	**Demographics**	Population	87,883
		Median age	44.8
		SEIFA (decile)[5]	2
	Housing	Total dwellings	38,687
		No. of single person households	10,694 (30.2%)
		% dwellings vacant	8.3
		Indicator	
1. Place and Representation	Alignment with local communities of interest	% of area workforce residing locally	93%
	Established administrative, commercial and service hub/s	% of population within 30 mins of administrative hub	96%
	Urbanisation	% of population in urban areas of population 10,000 or greater	62%
	Mobility/Migration	% of population living at a different address 5 years ago	34.2
2. Future Needs and Priorities	Population growth	Population change *2011-21*	6,663 (8.2%)

[5] SEIFA', or 'Socio-Economic Indexes for Areas', is an index developed by the Australian Bureau of Statistics which ranks areas in Australia according to relative socio-economic advantage or disadvantage.

Category		Measure	Council
	Housing supply and infrastructure demand	Change in occupied dwelling numbers (2011-21)	3,778
		% Change in occupied dwelling numbers (2011-21)	12%
	Employment growth	Change in employment 2011-21 by place of residence	11%
	Older/aging communities	% Population over 65	18%
	Younger communities	% Population under 15	19%
3. Financial Sustainability	Value of rateable land	Value of rateable land - residential	$ 15,307,200,000
		Value of rateable land - primary production	$ 2,211,400,000
		Value of rateable land - industrial	$ 725,100,000
		Value of rateable land - commercial	$ 1,404,000,000
		Value of rateable land - vacant	$674,243,900
		Value of rateable land - other	$ 1,654,400,000

Category		Measure	Council
		Value of rateable land – total	$21,976,300,000
	Estimation of theoretical rate revenue applying current rates[6]	Estimated rate revenue - residential	$ 47,300,000
		Estimated rate revenue - commercial	$ 8,800,000
		Estimated rate revenue - industrial	$ 5,000,000
		Estimated rate revenue - primary production	$ 6,100,000
		Estimated rate revenue - vacant	$ 2,100,000
		Estimated rate revenue - other	$ 1,300,000
		Estimated rate revenue - total	$ 70,600,000
	Road Infrastructure	Km of council roads - sealed	1,594.3
		Km of council roads - unsealed	441.5

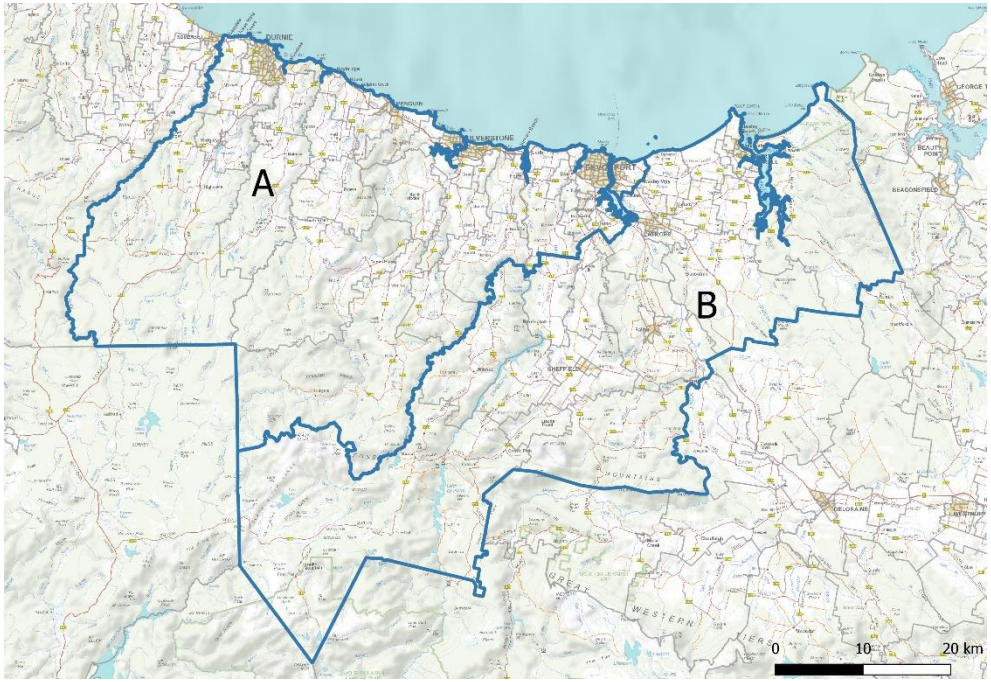
[6] There are limitations involved with this analysis, and it is acknowledged that the modelled revenues underestimate actual council revenues in some instances. The modelled revenues are a superior measure of relative fiscal capacity between council scenarios, and caution is advised for any comparison between modelled revenues for scenarios and existing councils. More information is provided in the Methods and Technical Background Supporting Paper.

Category	Measure	Council
4. Operational Sustainability	• The council would have a larger population base than Tasmania's current largest council (Launceston), although a much larger area to service. Nevertheless, it should have the capacity to provide high quality services to communities across the council area. • There would be less value in service sharing arrangements for a council of this size, however there may be value in it participating in regional or state-wide service-sharing arrangements for 'back-office' services such as IT systems, accounting, and procurement, although this case is clearly less strong than for other scenarios given the scale of the proposed council.	

Cradle Coast: Scenario 4

Overview

Scenario 4 creates two new council areas: (A) the existing LGAs of Burnie, Central Coast and Devonport are combined; and (B) existing Kentish and Latrobe LGAs are combined.



The two new council areas under this scenario combine existing councils into two groupings, with a dividing boundary further to the east than in Scenario 1. This grouping emphasises similarities in communities of interest and recognises the existing shared service arrangements between Latrobe and Kentish (proposed Council B). Council A brings together the urban coastal corridor between Burnie and East Devonport with their immediate hinterland communities.

Under this model, there is potential to strengthen existing coordination and shared service arrangements, and to identify a number of service, administrative, and works hubs for the individual councils.

Council Area	2021 Population	% Growth 2011-21
Area A	69,400	5.6%
Area B	18,483	19.1%

Rationale and evidence

Scenario 4 would establish two councils: one incorporating the major urban settlements along the coast between and including Devonport and Burnie, and another including the more predominantly rural Latrobe and Kentish council areas. This model would increase the scale and capabilities of both councils serving the Cradle Coast, with populations for Councils A and B approximately 69,000 and 18,000 respectively.

While both new areas would have increased scale, scope, and capacity under this scenario, Council A would clearly have a far greater population and revenue base than Council B. While council B will inevitably lack relative scale, it is notable that population growth in area B has been roughly double the state average over the past ten years – almost four times faster than in area A. Nevertheless, it remains the case that this scenario would establish a configuration for the Catchment in which the smaller Council B would likely need service sharing, and procurement relationships with Council A.

This scenario also recognises the extensive service sharing and joint administrative arrangements which exist between Latrobe and Kentish councils. There would continue to be a need for regional coordination on issues common to both councils, such as strategic land use planning. This cooperation would be streamlined with only two councils involved, however as Council A would be much larger it would be likely to play the leading role.

Alignment with the principles for successful structural reform

Focus on future community needs: Under this scenario there is generally strong alignment between council boundaries and communities of interest, as well as the natural geography of the region. The one exception is the significant interaction between the fast-growing urban areas of Latrobe and Devonport with approximately 800 residents of Latrobe working in Devonport. This consolidation of councils would improve whole-of-region cooperation and service sharing as well as collaboration with other tiers of government. High levels of collaboration between the two councils would be required in a number of service areas, especially strategic planning given the growing connections between Latrobe and urban Devonport noted above.

This scenario would assist in streamlining coordination in the implementation of strategic planning initiatives, such as the Cradle Coast Regional Land Use Strategy (CCRLUS), although not to the same extent as Scenario 3.

Under this scenario, 100% of residents in Council A and 96% in Council B would live within a 30-minute drive of a major service and administrative centre, ensuring continued accessibility of crucial local government services for as many residents as practicable.

Waste services are already shared across the region through the Dulverton Regional Waste Management Authority and the Cradle Coast Waste Management Group. Maintaining and expanding waste service offerings, such as more consistent kerbside collection options, should be straightforward under consolidated council models. This could also mean

simpler waste contract management for the two councils. Council B would have much less capacity in a range of technical and specialist areas than its larger neighbour Council A, for example in regulatory services such as building, environmental health and plumbing, as well as asset management. It would therefore likely be necessary to establish shared service arrangements to source some of these services from Council A.

Retain local jobs and services: There is also significant scope to retain existing council administrative and operations hubs of the two councils to maintain local employment and to support local engagement and service delivery. The new urban council (A) would have increased resources to maintain administrative and service hubs in several locations to ensure continued accessibility and convenience for residents, as well as investing in new services and programs. This new larger entity would have additional scale to attract and retain technical and professional staff. The combined Latrobe-Kentish Council (B) would further consolidate the existing combined workforce of the two councils but would likely still lack scale and be dependent on resource sharing or external consultants to provide some professional services. If some of these were to be sourced from Council A, it would be important to retain staff within its region to support continued local employment and retain the benefits of local knowledge and community connections.

As noted above, Devonport council offers one instructive potential model for more efficient integrated service provision in collaboration with the State Government. Devonport Council and Service Tasmania have fully integrated their customer service centres, making it simpler for residents to engage with state and local government services face-to-face. There would be potential to adopt a similar approach across both councils in this scenario.

Given their differences in scale, the new councils are likely to need to access any centralised back office shared services arrangement to different degrees (see *Supporting Paper on Shared Services Models*). While the larger council may just use basic services, such as cloud-based information systems, the smaller council may supplement its local capacity by drawing on more substantial operational and specialist services (for example legal, accounting, etc).

Preserve and enhance local voice: Council A in particular would have the capacity to invest in new and more systematic approaches to community engagement to ensure all communities within the larger council area are heard and represented. If required, there would also be scope to introduce community advisory panels regularly consulted by council to ensure constituents enjoy enhanced formal representation and direct influence in the decision-making process, including community budget priorities (see Supporting Paper on *Supporting Strong and Empowered Local Communities*). Given its smaller size and population, as well as the close existing relationships between the two existing authorities, strong local voice and effective community representation are likely to be less challenging than in the larger Council A.

Fair funding models: Applying existing rates and funding models to the new council areas their total rates revenue in 2021 dollars would be an estimated $56.9 million and $13.7 million. While Council A would have access to a significant rate base drawn from a mix of residential, commercial, and industrial land, Council B would be more resource constrained and would have to rely more heavily on service sharing, non-rate funding, and equalisation to meet future community needs. However, continued high population growth and development, particularly around Latrobe, would help to build greater own-source revenues over time. As

noted for Scenario 2, there is a range of approaches to rating across the Catchment, highlighting the need for carefully designed funding and transition arrangements. The Board acknowledges presently the total rates per capita in Devonport and Burnie LGAs is considerably higher than in Central Coast, Kentish, and Latrobe. Looking at residential rates per capita, the differences are smaller as it is clear that Devonport and, to a lesser extent, Burnie raises more rates from non-residential sources.

Appropriate resourcing for transition: Transition arrangements for this scenario would need to consider how services provided by the Cradle Coast Authority (or a similar entity), both to member councils and other councils across the broader region, would be undertaken under the new arrangements. Debt held by all councils, as well as rating variations, would need to be considered when establishing new councils. Geographic Information Systems (GIS) and asset management platforms and services vary across councils. While it would be cost-efficient to move to single platform, the differences between existing systems are likely to involve transition costs.

Community data and alignment with reform criteria

The table below presents demographic, household, employment and operational council data for hypothetical councils established under each of the consultation scenarios. These data have been produced by analysing 2021 ABS Census (SA1 level) and other relevant data sets to align with the hypothetical boundaries of the new areas proposed in each scenario.

As we have indicated, these data are indicative and are designed to inform community discussions about the merits of different structural reform options. Structural reforms adopted by the Tasmanian Government based on the Board's recommendations will likely be subject to a detailed technical review and implementation plan. While every effort has been made to ensure consistency and accuracy, variation between SA1 and LGA boundaries may mean that some of the figures below may differ slightly from existing council statistics. Detailed methodological notes are presented in the *Methods and Technical Background Supporting Paper*.

Summary Data – Scenario 4

Category		Measure	Council A	Council B
Overview	Demographics	Population	69,400	18,483
		Median age	43.7	48.5
		SEIFA (decile)[7]	2	3
	Housing	Total dwellings	30,638	8,049
		No. of single person households	8,787 (30.8%)	1,907 (27.3%)
		% dwellings vacant	7.5	11.2
Indicator				
1. Place and Representation	Alignment with local communities of interest	% of area workforce residing locally	77.7%	58.9%
	Established administrative, commercial and service hub/s	% of population within 30 mins of administrative hub	100%	96%
	Urbanisation	% of population in urban areas of population 10,000 or greater	78%	0%

[7] SEIFA', or 'Socio-Economic Indexes for Areas', is an index developed by the Australian Bureau of Statistics which ranks areas in Australia according to relative socio-economic advantage or disadvantage.

Category		Measure	Council A	Council B
	Mobility/Migration	% of population living at a different address 5 years ago	34.6	35.3
2. Future Needs and Priorities	Population growth	Population change *2011-21*	3,701 (5.6%)	2,962 (19.1%)
	Housing supply and infrastructure demand	Change in occupied dwelling numbers (2011-21)	2,514	1,264
		% Change in occupied dwelling numbers (2011-21)	9.6%	22.8%
	Employment growth	Change in employment 2011-21 by place of residence	9%	20%
	Older/ageing communities	% Population over 65	18%	18%
	Younger communities	% Population under 15	19%	19%
3. Financial Sustainability	Value of rateable land	Value of rateable land - residential	$11,769,900,000	$3,537,400,000
		Value of rateable land - primary production	$1,305,200,000	$906,300,000
		Value of rateable land - industrial	$611,700,000	$113,400,000

Category		Measure	Council A	Council B
		Value of rateable land - commercial	$1,204,100,000	$199,800,000
		Value of rateable land - vacant	$416,400,000	$257,800,000
		Value of rateable land - other	$800,100,000	$180,100,000
		Value of rateable land – total	$16,107,300,000	$5,194,700,000
	Estimation of theoretical rate revenue applying current rates[8]	Estimated rate revenue - residential	$38,100,000	$9,200,000
		Estimated rate revenue - commercial	$7,800,000	$1,100,000
		Estimated rate revenue - industrial	$4,200,000	$800,000
		Estimated rate revenue - primary production	$3,600,000	$2,500,000
		Estimated rate revenue - vacant	$1,400,000	$700,000
		Estimated rate revenue - other	$1,100,000	$200,000
		Estimated rate revenue - total	$56,900,000	$13,700,000
	Road Infrastructure	Km of council roads - sealed	1,118	476

[8] There are limitations involved with this analysis, and it is acknowledged that the modelled revenues underestimate actual council revenues in some instances. The modelled revenues are a superior measure of relative fiscal capacity between council scenarios, and caution is advised for any comparison between modelled revenues for scenarios and existing councils. More information is provided in the Methods and Technical Background Supporting Paper.

Category		Measure	Council A	Council B
		Km of council roads - unsealed	185	256
4. Operational Sustainability	• Council A would have a similar population base to the current largest council in Tasmania, Launceston, ensuring it should have the capacity to provide high quality services to its communities. • With a smaller population base, Council B would have more constrained capacity. It is in an area of high growth, giving it the opportunity to benefit from that growth while also having to provide services to an expanding population. This council would need to undertake careful strategic planning and financial management to navigate this challenge. • There is likely to be potential for both councils to further extend their capability through regional or state-wide service-sharing arrangements for 'back-office' services, and for catchment, regional or state-wide sharing arrangements for waste management. Council B may need to enter into service-sharing arrangements with council A or potentially, another service sharing authority (refer to discussion in the Supporting Papers), for some technical and specialist services.		

3. Comparison of Scenarios

Criteria and Indicator	Metric							
	Scenario 1, Council A	Scenario 1, Council B	Scenario 2 Council A	Scenario 2 Council B	Scenario 2 Council C	Scenario 3	Scenario 4, Council A	Scenario 4, Council B
Place and Representation								
Alignment with local communities of interest ***% local workforce***	50.5%	84%	60.2%	55.8%	81.6%	93%	77.8%	58.9%
Established administrative, commercial and service hub/s ***% of population within 30 mins of administrative hub***	100%	96%	100%	97%	97%	96%	100%	96%
Urbanisation ***% of population in urban settlements (population 10,000 or greater)***	64%	61%	87%	55%	55%	62%	78%	0%
Mobility/Migration ***% of population who have moved in last 5 years***	34.2%	34.2%	34.2%	32.3%	35.1%	34.2%	34.6%	35.3%
Future Needs and Priorities **(Note – population projections are not available at SA1 level)**								
Population growth 2011-21 ***% growth and absolute number***	1,057 (4.2%)	5,606 (10%)	621 (2.7%)	1,691 (7.9%)	4,368 (10.8%)	6,663 (8.2%)	3,701 (5.6%)	2962 (19.1%)

Criteria and Indicator	Metric							
	Scenario 1, Council A	Scenario 1, Council B	Scenario 2 Council A	Scenario 2 Council B	Scenario 2 Council C	Scenario 3	Scenario 4, Council A	Scenario 4, Council B
Housing supply and infrastructure demand ***Ten-year change (2011-21) in occupied dwelling numbers (absolute and per 1000 pop)***	743 (28.2 per 1000)	3,035 (49.4 per 1000)	574 (24.7 per 1000)	1,008 (43.8 per 1000)	2,303 (51.2 per 1000)	3,778 (43 per 1000)	2,514 (36.2 per 1000)	1,264 (68.4 per 1000)
Employment growth ***% growth in employment since 2011***	8%	13%	6%	11%	14%	11%	9%	20%
Older/ aging communities ***Population aged over 65 (and as % of total)***	16%	18%	16%	19%	18%	18%	18%	18%
Younger communities ***Population 0-14 (and as % of total)***	20%	19%	20%	19%	19%	19%	19%	19%
Financial Sustainability								
Value of rateable land ***Total $ value within region***	$6,275,436,800	$15,700,862,600	$5,186,230,300	$5,863,048,300	$11,547,316,100	$21,976,299,400	$16,107,321,000	$5,194,734,500

Criteria and Indicator	Metric							
	Scenario 1, Council A	Scenario 1, Council B	Scenario 2 Council A	Scenario 2 Council B	Scenario 2 Council C	Scenario 3	Scenario 4, Council A	Scenario 4, Council B
Estimated total rate revenue[9]	$21,500,000	$49,000,000	$19,000,000	$16,300,000	$37,200,000	$70,600,000	$56,800,000	$13,700,000
Estimated rate revenue as a % of area total rateable property value	0.34%	0.31%	0.37%	0.28%	0.32%	0.32%	0.35%	0.26%
Road infrastructure *Length and type of council roads in new region* *Kms by type*								
Unsealed	512.1	1,082.2	330.3	561.3	726.8	1,594.3	1,118	476
Sealed	83.0	358.5	46.0	172.0	223.5	441.5	185	256
Additional Key Metrics								
Population	26,390	61,493	23,279	22,997	44,968	87,883	69,400	18,483
Median Age	41.7	46.1	41.6	47.2	45.5	44.8	43.7	48.5
SEIFA (decile)	3	2	2	3	2	2	2	3

[9]There are limitations involved with this analysis, and it is acknowledged that the modelled revenues underestimate actual council revenues in some instances. The modelled revenues are a superior measure of relative fiscal capacity between council scenarios, and caution is advised for any comparison between modelled revenues for scenarios and existing councils. More information is provided in the Methods and Technical Background Supporting Paper.

4. Implications for neighbouring Community Catchments

Community Catchments have been established to facilitate discussions about options for council consolidation at a regional level. The design of the reforms in one community catchment will obviously have impacts on neighbouring regions and the broader local government system. Given this, it is important to note how the design of the Cradle Coast catchment may have implications for neighbouring Community Catchments and councils.

Overall, the Cradle Coast catchment is clearly defined and self-contained. Specific observations and implications include:

- There is a reasonably clear south east boundary for the catchment between Sassafras and Elizabeth Town which reflects commuting zones to Devonport to the north and Deloraine and Launceston to the south and east.
- The Western Tiers and Cradle highlands form a natural geographic southern boundary for the catchment.
- There are options for the western boundary of the catchment which need to be considered by the community. Specific issues outlined in Scenario 2 include:
    - Whether Somerset (population approximately 4000) should be included in the Cradle Coast catchment (as opposed to Western Tasmania) given its proximity and connections to the City of Burnie
    - Whether the township of Wynyard should also be included in the Cradle Coast catchment given some connections to Burnie and similar demographic profile to the rest of the Cradle Coast. However, the Board also acknowledges that Wynyard has its own distinctive identity and is well established as an administrative and commercial hub for the communities to its west and south.

5. Appendix

Analysis of existing councils within (or partially within) community catchment[10]

Council	Population	No. of employees	Average Residential Rates & Annual Charges per Residential Property ($)	Current ratio (10 yr average)	Cash Expense Cover Ratio	Own source revenue coverage ratio (10 yr average)	Underlying surplus ratio (10 yr average)	Debt service cover ratio (8 yr average)	Asset sustainability ratio (7 yr average)
Year	2021	2020-21	2020-21	2011-21	2011-21	2011-21	2011-21	2013-21	2014-21
Burnie	19918	117.48	1697.25	2.1	6	88%	-3%	20.4	50%
Central Coast	22760	144	1118.74	1.72	6	85%	1%	31.8	97%
Devonport	26150	144	1215.04	2.18	4	95%	2%	8.4	63%
Kentish	6603	31.53	1357.52	5.3	15	74%	3%	27.2	96%
Latrobe	12420	41.83	1095.35	3.65	12	91%	5%	78.3	56%

[10] Definitions of data items can be found in the *Existing Council Data Definitions Supporting Paper*.

Council	Asset renewal funding ratio (7 yr average)	Asset consumption ratio (7 yr average)	Cash and investments held ($'000s)	Net Financial Liabilities Ratio (%)	Interest bearing liabilities ($'000s)	No. of discretionary development applications received	Value of all development approvals ($)	No. of councillors
Year	2014-21	2014-21	30-Jun-22	2020-21	30-Jun-22	2020-21	2020-21	2018
Burnie	112%	69%	18,092	-7%	8,706	140	70,782,564	9
Central Coast	92%	80%	13,097	-22%	8,129	303	71,132,267	9
Devonport	109%	51%	18,945	-95%	46,863	142	49,140,116	9
Kentish	114%	89%	12,945	47%	5,865	71	29,146,712	9
Latrobe	120%	78%	15,956	-77%	11,250	246	93,376,560	9

Summary of Updates

Version	Date	Change
V1.1	7/7/2023	• Scenario 4 map minor update to align with the correct current boundaries between Kentish and Devonport councils in the Acacia Hills / South Spreyton region. • Consequential adjustments associated with this boundary correction and other minor corrections were made to the Summary Data for Scenario 4 and to the Comparison of Scenarios table. • Total dwelling numbers were updated for all scenarios to include unoccupied dwellings. Clarified that 2011-21 dwelling change figures refer to occupied dwellings. No impact on financial data such as rateable land estimations, which were calculated separately.