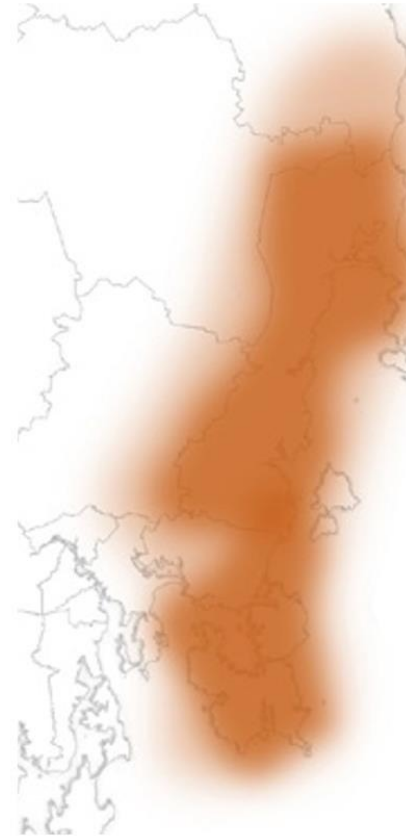


**The future
of local
government
review**

South-East 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 has prepared this information pack as a data source and 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 explore how we might reshape Tasmania's local councils to increase scale and capability so they can better serve Tasmanian communities. 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 information pack provides detailed insights into the South-East Community Catchment, outlining two 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 options available to deliver a more capable and sustainable system of local government for the community.

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 applying the Board's structural reform principles (see text box on 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 one new council covering the entire Community Catchment (minus the urban areas of Sorell LGA), comprising the current Glamorgan-Spring Bay, Tasman LGAs, with rural part of Sorell LGA to the north and east of Primrose Sands/Forcett/Orielton

Scenario 2 – Establishing one new council area covering the current Glamorgan-Spring Bay, Tasman Peninsula and Sorell Councils' areas, but not including Bicheno

The Board – in collaboration with the University of Tasmania – has identified and applied a range of relevant data sets to assess the scenarios individually and 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 smaller scale council may be construed as providing a higher level of representation and local connection but may 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 for larger council areas with larger populations 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 still 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 South-East 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.**

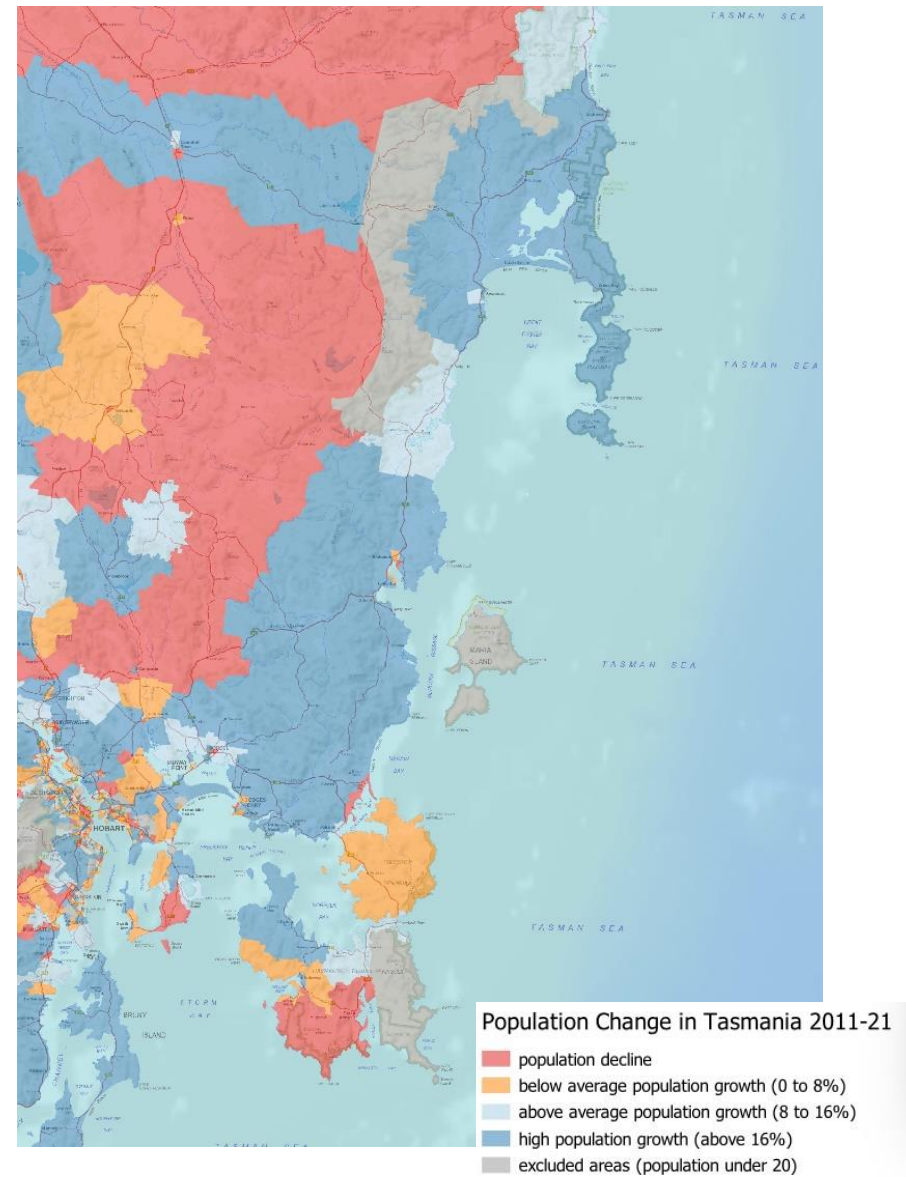
2. An overview of the South-East Community Catchment

The Catchment consists of the southern parts of the east coast, from Bicheno to the Tasman Peninsula, running inland along the existing Glamorgan-Spring Bay council boundary and into the Sorell LGA.

While Tasman and Glamorgan-Spring Bay do not currently share a boundary, the demographic and economic profile of rural eastern Sorell beyond the boundary of the Greater Hobart Statistical area arguably has more in common with Tasman and Glamorgan-Spring Bay than with the remainder of its current municipal area. Important connections are evident in the other direction too: a significant number of residents of Sorell, Lewisham, Primrose Sands, Dodges Ferry, and Dunalley move frequently between the Sorell, Tasman, and Glamorgan-Spring Bay LGAs.

While Tasman, Sorell, and Glamorgan-Spring Bay have reasonably strong commuting connections with each other, they exhibit only relatively weak employment or commuting links with more northern parts of the East Coast. Sorell is increasingly 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 the Sorell ABS Statistical Area 2 (SA2) commuting to the city for work on a daily basis. These councils already engage in regional collaboration via, for example, the Southern Tasmanian Councils Authority (STCA) and Business and Employment Southeast Tasmania (BEST).

The region has a common economic structure focused on tourism, agriculture, and coastal living while, as noted above the township of Sorell is a growing commercial, employment and services hub in its own right. Shack communities and a high proportion of holiday homes are also a



feature of the community with 42% of dwellings in the Catchment (excluding urban Sorell) being reported as vacant in the 2021 Census. The South-East experiences one of the highest visitor levels in Tasmania – in 2020, for example, the Tasman LGA hosted 247,000 visitors while approximately 350,000 people visit Freycinet National Park each year. Part-time residents and visitors are of economic benefit to these communities, but also place stress on infrastructure, housing and services during peak periods. One cause of this pressure is that these incoming residents, either temporary or new, are expecting higher quality services than have traditionally been provided in regional Tasmania.

South-East Tasmania, like many areas of the State, faces economic and demographic challenges associated with an ageing population (median age of 48.3 when urban Sorell is excluded) and workforce shortages. Improving education outcomes is a priority for the region, as is improving access to healthcare. For example, Glamorgan-Spring Bay Council funds the provision of medical centres in the area through a special levy on ratepayers. Portions of these communities experience significant economic disadvantage which impact on health and wellbeing outcomes. The number of people with disability is relatively high in the region - 31.2% of people in Glamorgan-Spring Bay LGA have a disability - so service needs in the future are likely to be high. The existing councils serving these communities are constrained by their small scale and limited revenue bases. Larger, more capable councils would have the capability to leverage advocacy platforms, and coordinate community and agency service providers.

Natural assets and tourist attractions, such as Port Arthur Historic Site, Maria Island, and Freycinet National Park offer significant opportunities for the region, but the area is also vulnerable to natural disasters and climate change. The 2013 bushfires across the Sorell, Tasman and

Glamorgan-Spring Bay LGAs not only destroyed many homes, but also directly and indirectly impacted hundreds of businesses such as oyster and dairy farms and caused ongoing power outages with over 300 power poles destroyed. More recently, the closure of the Paradise Gorge Road for six weeks in 2021 effectively cut off much of the Glamorgan-Spring Bay LGA from Hobart and the south of the State, with access only available through the unsealed Wielangta Forest Road, or via Lake Leake Road and the Midland Highway. This caused a large downturn for the tourism industry, and significant inconvenience for locals.

The region has faced other challenges too, with towns such as Triabunna feeling the impact of the declining forestry industry. However new businesses are emerging, including tourism operations, and other innovative businesses such as Sea Forest generating new opportunities for the region.

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

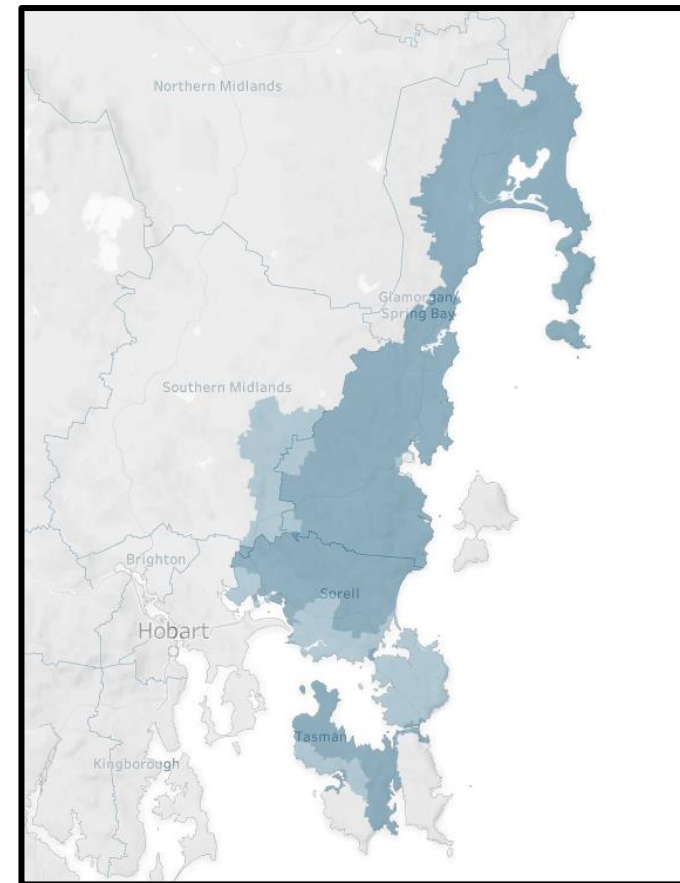
- maximise the benefit from tourism growth while maintaining residents' amenity and access to services
- advocate effectively to the State and Commonwealth Governments to play their part in providing medical services and to partner on economic development and job opportunities
- provide services to the relatively high proportion of older residents
- provide fair and equitable services and representation to all 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 in the course of our normal lives. 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.

While the current Glamorgan-Spring Bay and Tasman LGA boundaries represent the daily movements of their workforces relatively well (with local workforce ratios of 78.3% and 66.1%, respectively), just 28% of Sorell residents work in the Sorell Council area reflecting urban Sorell's different character and strong connections to Hobart. As a result, it is important to note that while this discussion group is highly representative of the daily movements of its local *workforce*, the strong commuting connection between urban Sorell and Greater Hobart area means this region remains characterised by a net daily outflow of local residents.

Commuting patterns of the South-East Community Catchment workforce



Key

Unshaded – SA1s where fewer than 30 workers (less than 13 %) work within the South-East community catchment

Light blue – between 30 and 100 (13%-40%) workers work within the South-East community catchment

Dark blue – more than 100 (40%) workers work within the South-East community catchment

		Place of work (SA2)					
		Sorell & Richmond	Southern Beaches	Tasman Peninsula	Southern East Coast	Greater Hobart	Brighton
Place of usual residence (SA2)	Sorell & Richmond	1241	63	28		2920	77
	Southern Beaches	514	735	79	12	2132	49
	Tasman Peninsula	17	19	628	0	156	3
	Southern East Coast	19	8	0	1568	160	12
	Local workforce ratio	41.9%	72.7%	76%	83.9%	-	-

*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.



South-East: Scenario 1

Overview

Scenario 1 establishes a single new council area within the South-East Community Catchment. It combines the existing Glamorgan-Spring Bay and Tasman LGAs with the rural part of the Sorell LGA .

Under this scenario, the urban sections of the existing Sorell LGA would be included in the Eastern Shore Community Catchment, with a boundary running north from the east of Primrose Sands, Forcett, and Orielson and broadly aligns with the edge of the Greater Hobart Statistical Area.

This potential council has been identified on the basis of communities of interest, shared economic and demographic profile and geography.

Under this model it would be possible to maintain existing administrative, customer service, and works hubs in Nubeena and Triabunna in order to support the maintenance of local jobs, representation, and services

2021 Population	% Growth 2011-21
9,665	27.9%

South-East Scenario 1

Rationale and evidence

By consolidating the existing Glamorgan-Spring Bay and Tasman Councils with the rural sections of Sorell LGA, Scenario 1 would increase the scale and capability of the new council (population 9,665), although not to the same extent as under Scenario 2, described below.

This Scenario reflects the concerns expressed by many Tasman residents about merging with a larger urban council in the context of the failed 2019 attempt to merge the entire Sorell and Tasman Councils.

The region shares a common economic structure characterised by tourism, agriculture, small towns and villages, and a coastal lifestyle. While existing Tasman, Sorell, and Glamorgan-Spring Bay LGAs have reasonably strong commuting connections with each other (although key population centres are not directly connected by a highway), they exhibit only relatively weak employment or commuting links with more northerly parts of the East Coast. Connectivity between the lower east coast and Tasman Peninsula would be enhanced if the Wielangta Road was upgraded.

While Tasman and Glamorgan-Spring Bay do not currently share a boundary, the rural eastern part of Sorell LGA arguably has more in common with Tasman and Glamorgan-Spring Bay than with the remainder of its current municipal area.

Alignment with the principles for successful structural reform

Focus on future community needs: The single council established here includes regional coastal towns and rural hinterlands. Under this scenario 59% of residents would be within a 30-minute drive of the service and administrative hubs of Triabunna and Nubeena.

Consolidation could support enhanced scope capabilities in areas such as strategic planning, development, and environmental health assessment to some extent, and could help manage issues such as settlement and infrastructure planning. It would assist in streamlining coordination in the implementation of the Southern Tasmania Regional Land Use Strategy (STRLUS). These communities already engage in regional collaboration via, for example, the STCA and BEST. Given the relatively small size of this council, other shared service arrangements would need to be established to better support communities and meet their growing expectations and future needs. Existing councils' experience with shared services arrangements could assist the development and expansion of these models.

The communities in this area are demographically similar, host comparable industries, and face similar challenges around ageing populations, access to healthcare and education services, issues which a larger council would have more capacity to address. A larger council would also be well placed to enter strategic partnerships with other tiers of government. It would also be well placed to deliver effective land use and strategic planning.

Retain local jobs and services: There is scope to retain existing council administrative and operations hubs in Nubeena and Triabunna to maintain local employment and to support local engagement and service delivery.

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

South-East Scenario 1

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 the existing councils in this area. There is also the potential for partnerships with State Government services and bodies, such as with Service Tasmania to provide combined customer service centres, to enhance service delivery.

While the new council would enjoy some of these scale benefits relative to the status quo, it would still be relatively small by Tasmanian standards and would have to actively engage in regional or state-wide service and resource sharing to ensure sustainability and meet future community needs.

Preserve and enhance local voice: The new, larger council would also have to ensure that both Tasman and lower east coast communities were well represented. The Council would have the capacity to invest in new and more systematic approaches to community engagement to ensure all communities within the area are heard and represented. If required, there would also be scope to introduce community advisory committees 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 new council area.

Fair funding models: Applying existing rates and funding models to the new council area, the total rates revenue in 2021 dollars would be an estimated \$15.7 million. Residential rates in both Tasman and Glamorgan-Spring Bay Councils are well above the State average and, notwithstanding some efficiency gains, would be likely to remain so under this scenario in the

absence of significant service or resource sharing or additional grant income.

Appropriate resourcing for transition: Transition arrangements for this scenario would need to consider how the Medical Service Charge currently applying in Glamorgan-Spring Bay Council area to fund medical centres at Bicheno and Triabunna should apply under a new council structure. Services provided by the STCA, both to member councils and other councils across the broader region, would also need to be considered.

South-East Scenario 1

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 modelling 2021 ABS Census (SA1 level) and other relevant data sets to align with the hypothetical boundaries of the 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
Overview	Demographics	Population	9,665
		Median age	52.9
		SEIFA (decile) ¹	3
	Housing	Total dwellings	7,851
		No. of single person households	1,260 (31.8%)
		% dwellings vacant	42.1
		Indicator	
1. Place and Representation	Alignment with local communities of interest	% area workforce residing locally	52.3%

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.

South-East Scenario 1

Category		Measure	Council A
	Established administrative, commercial and service hub/s	% of population within 30 mins of administrative hub	59%
	Urbanisation	% of population in urban areas of population 10,000 or greater (Sorell falls under this threshold)	0%
	Mobility/Migration	% of population living at a different address 5 years ago	32.7%
2. Future Needs and Priorities	Population growth	Population change 2011-21	2,106 (27.9%)
	Housing supply and infrastructure demand	Change in occupied dwelling numbers (2011-21)	944
		% Change in occupied dwelling numbers (2011-21)	31.2%
	Employment growth	Change in labour force 2011-21 by place of residence	28%
	Older/ageing communities	% Population over 65	22%
	Younger communities	% Population under 15	16%
3. Financial Sustainability	Value of rateable land	Value of rateable land - residential	\$4,129,500,000
		Value of rateable land - primary production	\$740,200,000

South-East Scenario 1

Category	Measure	Council A
	Value of rateable land - industrial	\$24,000,000
	Value of rateable land - commercial	\$317,300,000
	Value of rateable land - vacant	\$618,200,000
	Value of rateable land - other	\$739,400,000
	Value of rateable land - total	\$6,568,600,000
Estimation of theoretical rate revenue applying current rates ²	Estimated rate revenue - residential	\$10,000,000
	Estimated rate revenue - commercial	\$1,400,000
	Estimated rate revenue - industrial	\$100,000
	Estimated rate revenue - primary production	\$1,800,000
	Estimated rate revenue - vacant	\$2,300,000
	Estimated rate revenue - other	\$100,000
	Estimated rate revenue - total	\$15,700,000

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*

South-East Scenario 1

Category		Measure	Council A
	Road Infrastructure	Km of council roads - unsealed	389.8
		Km of council roads - sealed	284.6
4. Operational Sustainability	<ul style="list-style-type: none"> • While this council would have a greater capability than the component councils, due to a larger population and rating base, it would still be relatively small in Tasmanian terms. It would likely continue to rely on shared service arrangements to deliver the full range of services its residents expect. • Given the proximity of the Greater Hobart area, maintaining or enhancing shared service arrangements with neighbouring councils should be relatively straightforward. • While shared services might suit specialist and technical services, the geography of the catchment means it will still need a significant cohort of works and maintenance staff who are locally placed. 		

South-East: Scenario 2



Overview

Scenario 2, like Scenario 1, establishes a single council for the South-East Community Catchment. Unlike Scenario 1, Bicheno is not included, but the entire existing Sorell LGA is.

This hypothetical council has been designed on the basis of communities of interest and a shared geography. Sorell would act as a primary services and commercial hub for the greater region while Nubeena and Triabunna could be maintained as service and works hubs to ensure local jobs, representation and services are maintained.

There would likely be less need for shared service arrangement under this scenario, reflecting the greater population and rates base of the entire Sorell LGA. Combining Tasman and Glamorgan-Spring Bay councils with Sorell would provide a balance of urban and rural communities.

This scenario reflects the possibility that Bicheno may be more oriented toward the northern regions of the East Coast.

2021 Population	% Growth 2011-21
23,285	26.7%

Rationale and evidence

By consolidating the existing Glamorgan-Spring Bay, Tasman and Sorell LGAs, Scenario 2 would increase the scale and capability of the new council to a greater extent than Scenario 1. With approximately 23 000 residents and strong population growth, increased scale would be supported by a community with shared interests.

This scenario recognises that the town of Sorell is increasingly becoming a key service and employment hub for the lower East Coast and Tasman Peninsula, while at the same time emerging as a growing 'satellite' commuter suburb of Hobart with approximately 3,000 workers commuting to Hobart on a daily basis.

Under this scenario Bicheno remains in the North-East Tasmania Community Catchment, but, as we have noted, this requires further investigation to better establish whether the coastal town is more oriented to the north or south of the east coast.

Alignment with the principles for successful structural reform

Focus on future community needs:

The single council would include a significant regional town which could act as an administrative and commercial hub and smaller, dispersed regional towns, and rural communities. Under this scenario 90% of residents would be within a 30 minute drive of the service and administrative hubs of Sorell, Triabunna and Nubeena. This figure is higher than Scenario 1, given the inclusion of the Sorell township, although it highlights the need to invest in new models of engagement and service delivery to meet the needs of this regional community.

The communities across this catchment have a similar social and economic structure and face similar challenges around ageing populations, access to health and education services, although to a lesser extent than if urban Sorell was to be excluded from this combination, as per Scenario 1. There are notable differences too – for example the median age of Sorell residents is 41.6, approximately 16 years younger than those of Tasman and Glamorgan-Spring Bay, who have among the oldest population in Tasmania (57.2 and 57.6 respectively). A larger council would have greater scope and resources to address the growing needs of this community and advocate for residents although would continue to participate in some service and resource sharing and other external partnerships.

A larger regional council would also be well placed to collaborate with other tiers of government, building on existing engagement in regional collaboration via, for example, the STCA and BEST.

It would also be well placed to deliver effective land-use and strategic planning, issues that require close attention given the recent, rapid growth of areas around Sorell and the Southern Beaches. It would assist in streamlining coordination in the implementation of the Southern Tasmania Regional Land Use Strategy (STRLUS). The inclusion of Sorell increases the degree of demographic and economic diversity which should help ensure financial sustainability.

Retain local jobs and services: There is significant scope to retain existing council administrative and operations hubs in Sorell, Nubeena and Triabunna to maintain local employment and to support local engagement and service delivery.

While a new council of this size would have considerable administrative capacity, it could make use of some basic cloud-based services from any new centralised 'back-office' online support system for council finance and

administration. This would reduce staff time on repetitive transactional tasks, allowing them to focus on improving services to council staff and communities.

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 the existing councils in this area.

There is also the potential for partnerships with State Government services and bodies, such as with Service Tasmania to provide combined customer service centres, to enhance service delivery. Sorell has emerged as one of Tasmania's fastest growing communities and a larger council would be better placed to attract and retain the technical workforce to oversee the expansion of residential development and associated infrastructure needs to the broader region.

Preserve and enhance local voice: The new, larger council would have the capacity to invest in new and more systematic approaches to community engagement to ensure all communities within the area are heard and represented. This is especially important given the Tasman community's opposition to the proposed merger with Sorrell in 2019. 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 new council area. Particular consideration will need to be given to ensure rural and remote communities are heard given that 18% of residents live more than 30 minutes' drive from an administrative centre.

Fair funding models: Applying existing rates and funding models to the new council area, the total rates revenue in 2021 dollars would be an estimated \$25,300,000. The area would have access to rates revenue from a mix of residential, commercial, and agricultural lands although establishing a consistent approach to rating across the region will be challenging given that average rates per capita in Glamorgan-Spring Bay and Tasman are significantly higher than in Sorell.

Appropriate resourcing for transition: As noted above, perhaps the most significant transition issue for this Scenario is the fact that residential rates applied by the small rural councils of Tasman and Glamorgan-Spring Bay are significantly higher than those applied in Sorell. Compounding this are the differences in the age structure of the Sorell and eastern populations. These arrangements would also need to consider how the Medical Services Charge currently applying in Glamorgan-Spring Bay Council area to fund medical centres at Bicheno and Triabunna should apply under the new council. Designing a fair and equitable rating structure will need careful attention.

Transition arrangements for this scenario would also need to consider how services provided by the STCA, both to member councils and other councils across the broader region, would be undertaken under the new arrangements. Similarly, any financial and staff commitments made to other councils will need to be taken into account, including the involvement of Tasman and Sorell in the Southern Waste Solutions body.

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 modelling 2021 ABS Census (SA1 level) and other relevant data sets to align with the hypothetical boundaries of the new 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
Overview	Demographics	Population	23,285
		Median age	46.4
		SEIFA (decile) ³	4
	Housing	Total dwellings	12,004
		No. of single person households	2,699 (29%)
		% dwellings vacant	32%
		Indicator	
1. Place and Representation	Alignment with local communities of interest	% area workforce employed locally	70.8%
	Established administrative, commercial and service hub/s	% of population within 30 mins of administrative hub	90%

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.

South-East Scenario 2

Category		Measure	Council A
	Urbanisation	% of population in urban areas of population 10,000 or greater (Sorell falls under this threshold)	0%
	Mobility/Migration	% of population living at a different address 5 years ago	35%
2. Future Needs and Priorities	Population growth	Population change 2011-21	4,903 (26.7%)
	Housing supply and infrastructure demand	Change in occupied dwelling numbers (2011-21)	2,050
		% Change in occupied dwelling numbers (2011-21)	28.3%
	Employment growth	Change in labour force 2011-21 by place of residence	28%
	Older/ageing communities	% Population over 65	24%
	Younger communities	% Population under 10	15%
3. Financial Sustainability	Value of rateable land	Value of rateable land - residential	\$7,175,500,000
		Value of rateable land - primary production	\$943,400,000
		Value of rateable land - industrial	\$52,400,000
		Value of rateable land - commercial	\$439,300,000
		Value of rateable land - vacant	\$890,900,000
		Value of rateable land - other	\$199,200,000
		Value of rateable land - total	\$9,700,700,000
		Estimated rate revenue - residential	\$17,100,000
		Estimated rate revenue - commercial	\$2,300,000

Category	Measure	Council A	
	Estimated rate revenue - industrial	\$200,000	
	Estimated rate revenue - primary production	\$2,200,000	
	Estimated rate revenue - vacant	\$3,200,000	
	Estimated rate revenue - other	\$100,000	
	Estimated rate revenue - total	\$25,300,000	
	Road Infrastructure	Km of council roads - unsealed	408.0
		Km of council roads - sealed	407.0
4. Operational Sustainability	<ul style="list-style-type: none"> • This council would have a greater capability than its component councils, due to a larger population and rating base, and should be able to deliver the range of services its residents expect. • There will be less need for shared services arrangements for this council than in Scenario 1. • The geography of the catchment means it will still need a significant cohort of works and maintenance staff who are locally placed. 		

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.

3. Comparison of scenarios

Criteria and Indicator	Metric	
	Scenario 1	Scenario 2
<i>Place and Representation</i>		
Alignment with local communities of interest <i>% area workforce residing locally</i>	52.3%	70.8%
Established administrative, commercial and service hub/s <i>% of population within 30 mins of administrative hub</i>	59%	90%
Urbanisation <i>% of population in urban settlements</i>	0%	0%
Mobility/Migration <i>% of population who have moved in last 5 years</i>	32.7%	35.0%
<i>Future Needs and Priorities</i> (Note –population projections are not available at SAI level)		
Population growth 2011-21 <i>% growth and absolute number</i>	2,106 (27.9%)	4,903 (26.7%)

Criteria and Indicator	Metric	
	Scenario 1	Scenario 2
Housing supply and infrastructure demand <i>Ten-year change (2011-21) in occupied dwelling numbers (absolute and per 1000 pop)</i>	944 (97.7 per 1000)	2050 (88.0 per 1000)
Employment growth <i>% growth in employment since 2011</i>	28%	28%
Older/ ageing communities <i>Population aged over 65 (and as % of total)</i>	22%	24%
Younger communities <i>Population aged under 15 years</i>	16%	15%
Financial Sustainability		
Value of rateable land <i>Total \$ value within region</i>	6,568,600,000	\$9,700,700,000
Estimated total rate revenue⁵	\$15,700,000	\$25,300,000

⁵ 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*.

Criteria and Indicator	Metric	
	Scenario 1	Scenario 2
Estimated rate revenue as a % of area total rateable property value	0.24%	0.26%
<i>Road infrastructure Length and type of councils roads in new region</i>		
<i>Kms by type</i>		
Unsealed	389.8	408.0
Sealed	284.6	407.0
<i>Additional Key Metrics</i>		
Population	9,665	23,285
Median Age	52.9	46.4
SEIFA (decile)	3	4

4. Implications for neighbouring Community Catchments

Community Catchments have been established to facilitate discussions about options for council consolidation at a regional level. We are also mindful that the design of the reforms in one community catchment will have impacts on neighbouring regions and the local government system as a whole. Given this, it is important to note how the design of the South-East Catchment may have implications for neighbouring Community Catchments and councils therein.

Specific observations and implications include:

- Further consideration may be required to establish whether Bicheno is oriented more to the north or south of the east coast. If north, this would shift the boundaries of the existing Glamorgan-Spring Bay LGA, and of any potential North-East Council.
- The Board acknowledges that while urban Sorell has strong commuter links to the Greater Hobart area, it retains its own distinctive identity and is well established as an administrative and commercial hub for the communities to its east. Whether all of the current Sorell LGA should be included in this catchment, as per Scenario 2, or whether the urban portions should be incorporated into an Eastern Shore council, will need careful consideration.

5. Appendix

Analysis of existing Councils within (or partially within) community catchment⁶

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
Glamorgan-Spring Bay	5012	41.9	1030.31	1.13	1	85%	-2%	8.5	110%
Sorell	16734	70.4	1303.73	3.02	6	88%	4%	18.8	88%
Tasman	2593	19	1069.5	10.42	13	95%	10%	39.3	118%

⁶ Definitions of data items can be found *Legacy 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
Glamorgan-Spring Bay	90%	76%	4,275	-54%	7,844	177	77,283,010	8
Sorell	92%	81%	15,412	25%	2,755	466	165,353,100	9
Tasman	98%	94%	8,436	89%	25	114	18,710,490	7

Summary of Updates

Version	Date	Change
V1.1	7/7/2023	<ul style="list-style-type: none"> 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.