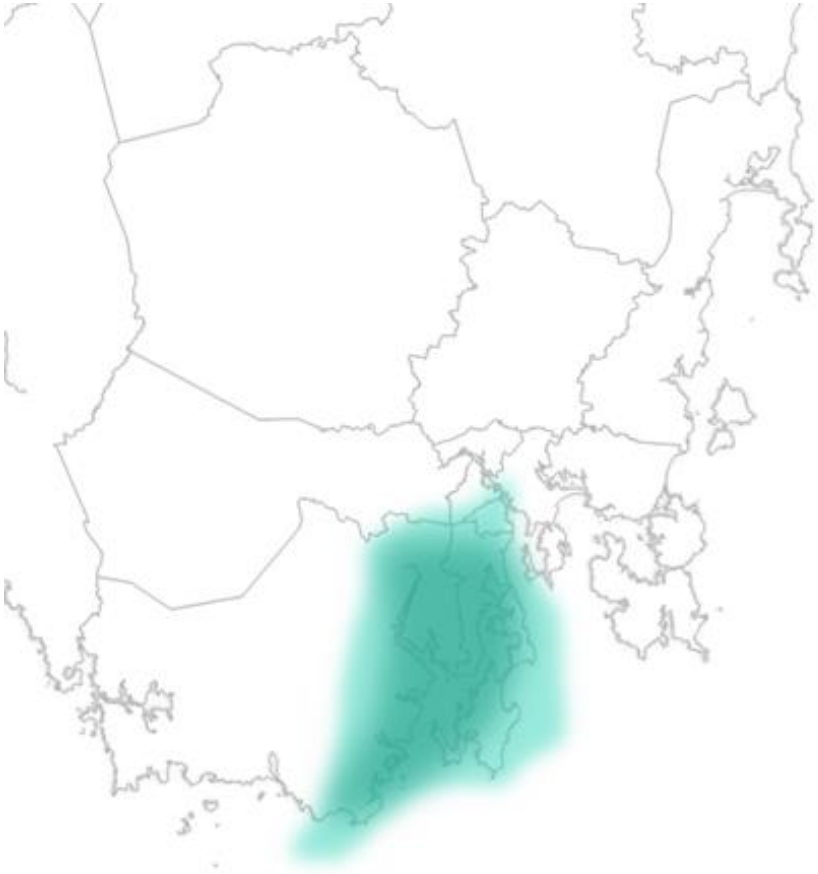
The future of local government review

Southern Shore 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 look at 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 Southern Shore Community Catchment, outlining three 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 councils to the east and west reflecting communities of interest and the local geography

Scenario 2 – Establishing one council for the Southern Shore Catchment

Scenario 3 – Establishing a single council, but excluding urban Kingston to reflect communities of interest

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 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 recommendations.

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.

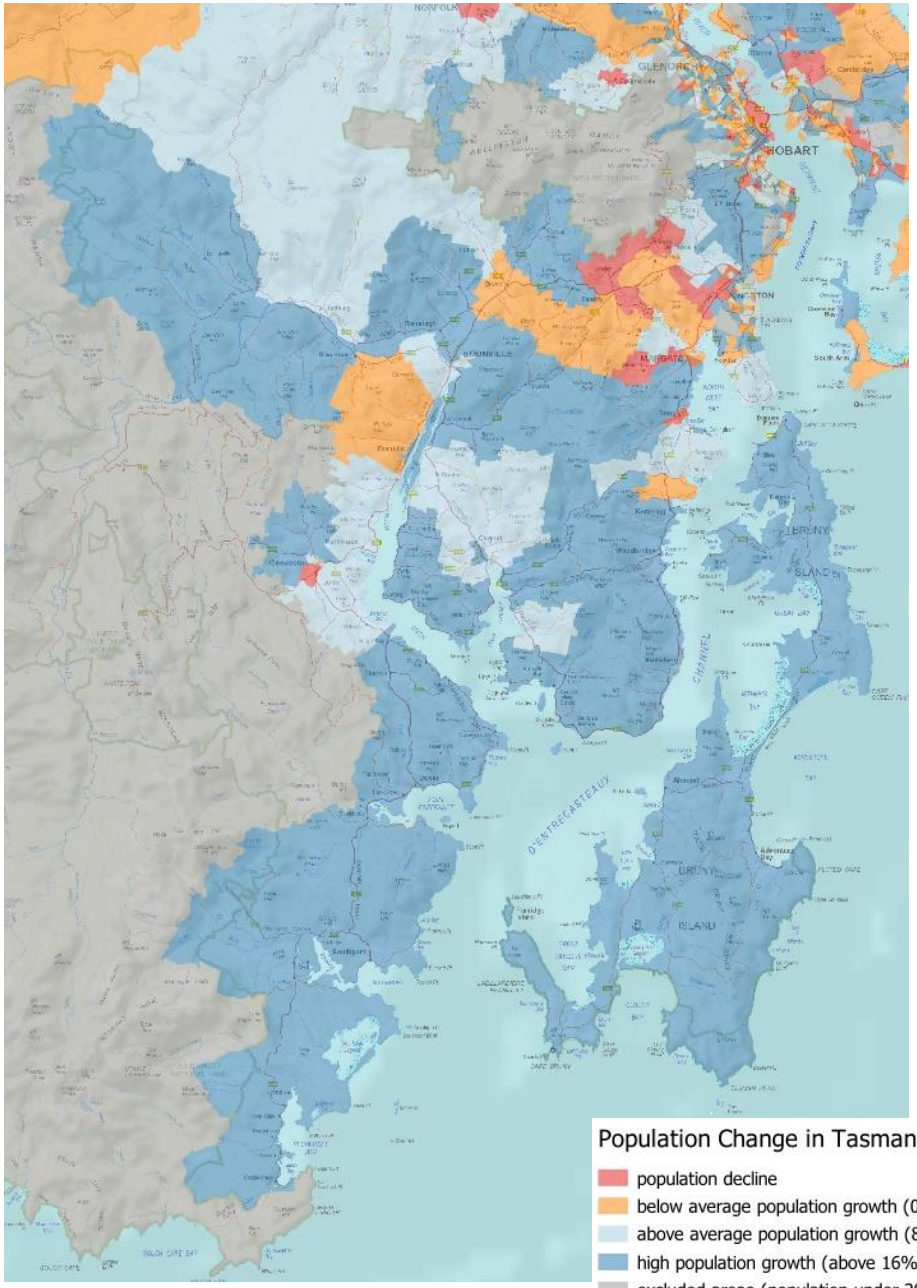
Please note: The Supporting Papers also include fact sheets which explain key data sets, data definitions and associated methodology.

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 Southern Shore 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 Southern Shore Community Catchment



The Southern Shore Community Catchment spans the rapidly expanding southern growth corridor through the Kingston and Huonville areas to the rural hinterland west of the Huon Valley. It is separated from Hobart area by the Wellington Mountain range to the north-east, and from the west by the Southern Ranges.

Despite strong commuting links to Hobart, primarily via the Southern Outlet, the D'Entrecasteaux Channel and Huon Valley have established identities which are quite distinct from Greater Hobart, although the fast-growing suburbs of Kingston and Blackmans Bay are more connected to the city. The combination of faster than average population ageing in the south, a reasonably high proportion of young people, with very rapid recent population growth highlights the area's diverse and increasingly dynamic demographic mix. Agriculture, aquaculture, and tourism remain important industries in the region, although employment is increasingly dominated by services. Southern Tasmania's two primary administrative, commercial, and service hubs are Kingston and Huonville, but smaller settlements like Cygnet, Geeveston, Kettering, and Dover remain important regional centres.

Opportunities associated with population growth also create challenges. As with all areas surrounding Greater Hobart, the issues confronting southern Tasmania relate to urban sprawl, built and social infrastructure needs, and strained transport links with inner Hobart. Balancing population growth with primary production also creates land use and planning challenges. The large recent influx of lifestyle-driven relocation south of Hobart has exacerbated these issues, which are likely to continue into the future.

The demographic profile of this region is also beginning to strain its limited health and aged care resources, highlighting the need for more coordinated provision of vital community services, especially in rural communities. The need to increase the range of learning opportunities in rural parts of the Catchment has also been identified as a priority. Climate change will require coordinated and concerted mitigation efforts, as recent flooding, fires, and coastal erosion and inundation illustrate.

Tourism, agriculture (large scale and niche), and innovative manufacturing are areas of opportunities for this region that can be cultivated and enhanced, particularly through diversification and value adding, in part by strengthened local government support and advocacy.

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

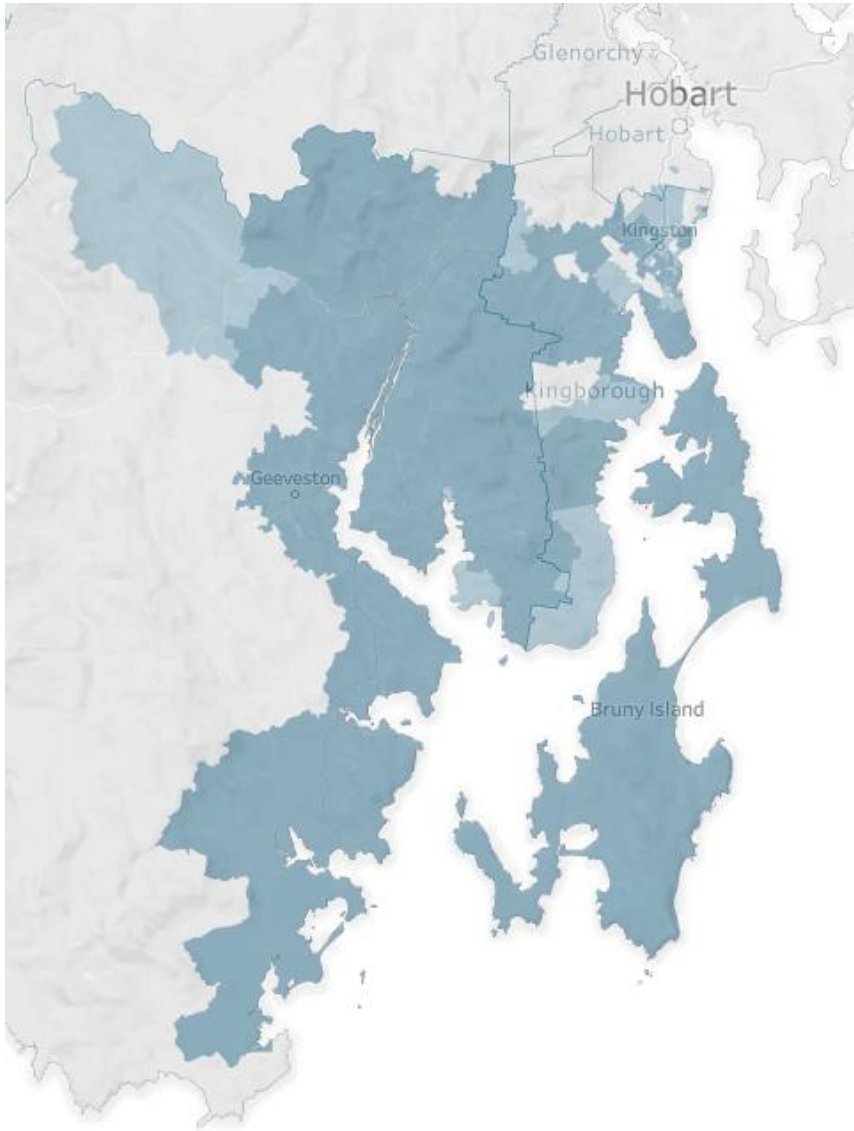
- coordinate the residential and commercial development that is occurring in this Catchment
- advocate effectively to the State and Commonwealth Governments to play their part in providing infrastructure and to partner on economic development and job opportunities
- provide services to both older and 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 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. 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.

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 area who also live that area – the local workforce ratio. The northern parts of the two existing LGAs in the Southern Shore Community Catchment (especially Kingston and Blackmans Bay) are characterised by their strong commuting connections to Hobart, though both areas host their own important regional centres as well. In Kingborough, Kingston and Kettering remain important regional hubs for their respective areas, while Huonville is an important commuter destination for the south west of this Community Catchment.

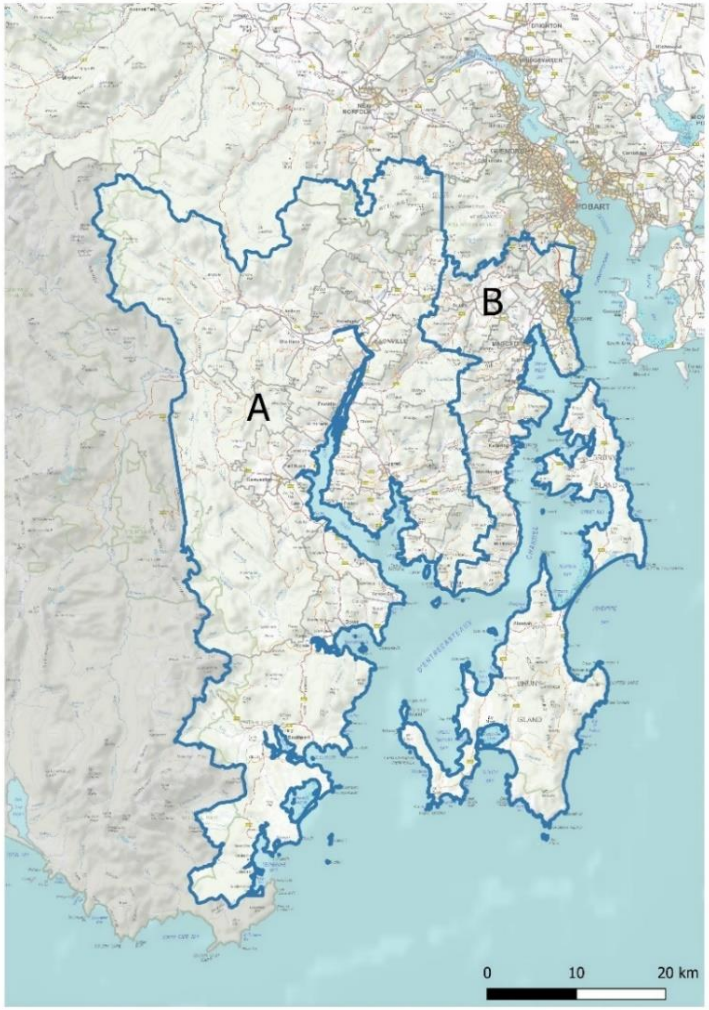
Commuting connections in the region



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

		Place of work (SA2)							
		Inner Hobart	Glenorchy	Kingston-Blackmans bay	Margate - Snug	Bruny Island - Kettering	Cygnet	Geeveston - Dover	Huonville - Franklin
Place of usual residence (SA2)	Inner Hobart	42358	6219	1414	197	70	55	65	237
	Glenorchy	11728	8657	429	85	7	4	19	88
	Kingston-Blackman's bay	6158	949	3294	334	69	35	63	242
	Margate - Snug	1740	274	783	794	70	27	25	121
	Bruny Island – Kettering	374	63	132	76	575	22	0	22
	Cygnet	350	75	120	46	24	772	47	217
	Geeveston - Dover	180	43	60	15	3	24	874	228
	Huonville - Franklin	1135	214	341	101	3	125	230	1619
	Local workforce ratio	**55.4%**	**39.1%**	**47.3%**	**45.5%**	**67.6%**	**66.7%**	**63.9%**	**57%**

Southern Shore: Scenario 1



Overview

Scenario 1 establishes two council areas within the Southern Shores Community Catchment. The first (A) consists of the existing Huon Valley LGA; the second (B) comprises Kingborough LGA minus Taroona, which could be viewed as a continuously connected suburb of Hobart in this scenario.

This scenario recognises that while there are strong commuter links from both these areas into Hobart, the connections between the two areas, in terms of commuting and as service hubs, are less pronounced.

Existing council service, administration, and works hubs could be maintained.

Council Area	2021 Population	% Growth 2011-21
Area A	17,611	16.3%
Area B	37,746	19.7%

Rationale and evidence

By largely maintaining existing council boundaries, Scenario 1 recognises communities of interest and geographical areas. Despite relative geographic proximity, commuting and service connections between the two areas are less pronounced than to Hobart. The ranges between Kettering and Huonville offer a 'natural' boundary between the potential council areas.

Both areas host key services and retail outlets: Kingston and Huonville both have educational and health facilities, council offices, Service Tasmania and Centrelink centres. Geography and transport connections mean however, it is nearly as easy for residents of the Huon Valley to access more specialist services in Hobart, rather than Kingston. Similarly, Kingston residents can access a greater range of services in central Hobart.

Both areas feature strong similarities in terms of identity, economic and demographic profiles, land use and growth opportunities and challenges, and may find themselves better served by a larger consolidated council, as discussed further in the following two scenarios in this *Information Pack.*

Alignment with the principles for successful structural reform

Focus on future community needs: Both councils host significant regional centres, smaller towns and surrounding rural communities. Under this scenario, 90% of residents would be within a 30-minute drive of the major service and administrative hubs of Huonville and 95% for Kingston.

The councils have experienced significant population growth in recent years (19% over the last decade for the catchment as a whole), primarily around the main commercial and population centres. Growth also brings challenges, such as increased housing, infrastructure and transport needs. Additionally, ageing populations mean the demand for healthcare facilities and services is increasing creating significant challenges, especially in the south of the Catchment. Each of the councils represent communities with a degree of demographic and economic diversity, which should help ensure financial sustainability.

The trade-off for this scenario is that the areas have smaller populations than in Scenario 2, and for Council A, smaller than Scenario 3, therefore creating councils with less potential capability. To address cross-LGA issues such as strategic land use planning, there would be a need for these councils to continue substantial cross-LGA coordination through a mechanism like a reformed and expanded Southern Tasmanian Councils Authority (of which Kingborough is not currently a member).

Under this scenario, councils would have to cooperate to support existing or expanded shared services arrangements such as regional emergency management committees. The coordination of regional strategy and economic development would be an ongoing need.

Retain local jobs and services: There is scope to retain existing council administrative and operations hubs, to maintain local employment and to support local engagement and service delivery. Some other councils across the state, such as Devonport Council, have fully integrated their customer service centres with Service Tasmania, making it simpler for residents to engage with state and local government services face to face (see Supporting Paper on *State Government Partnership Opportunities*). There is potential to expand this approach in this catchment.

As noted above, these councils may find it hard to attract and retain key skills, and 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 administrative tasks and system management, allowing them to focus on improving tailored local services to communities (see Supporting Paper on *Shared Services Models*).

Preserve and enhance local voice: Under this scenario, local voice would be *preserved* in both councils, but could be supplemented by reforms implemented by this review to *enhance* representation.

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 council areas, their total rates revenue in 2021 dollars would be an estimated $14.6m for Council A and $27.6m for Council B. The areas would continue to have access to rates revenue from a mix of residential, commercial, and industrial lands. The challenge with the scenario, as noted above, is that the councils may lack the scale and financial resources to meet future community needs.

Appropriate resourcing for transition: Transition arrangements for this scenario would be less complicated than under other scenarios, with the main change being the transfer of Taroona from Kingborough to a Western Shore council.

Geographic Information Systems (GIS) and asset management platforms and services vary across councils. While it would be cost-efficient to move to a single platform, the differences between existing systems are likely to involve transitional costs.

Community data and alignment with reform criteria

The table below presents demographic, household, employment and operational council data for the hypothetical council established under Scenario 1. 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 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	17,611	37,746
		Median age	45.9	41.8
		SEIFA (decile)[1]	5	9
	Housing	Total dwellings	8,033	15,820
		No. of single person households	1,750 (25.9%)	3,372 (23.7%)
		% dwellings vacant	13.7	8.1
		Indicator		
1. Place and Representation	Alignment with local communities of interest	% local workforce	79.7%	63.5%

[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
	Established administrative, commercial and service hub/s	% of population within 30 mins of administrative hub	90%	95%
	Urbanisation	% of population in urban areas of population 10,000 or greater	0%	59%
	Mobility/Migration	% of population living at a different address 5 years ago	33.7	34.1
2. Future Needs and Priorities	Population growth	Population change 2011-21	2,472 (16.3%)	6,202 (19.7%)
	Housing supply and infrastructure demand	Change in occupied dwelling numbers (2011-21)	929	2,450
		% change in occupied dwelling numbers (2011-21)	16.0%	20.8%
	Employment growth	Change in labour force 2011-21 by place of residence	17%	23%
	Older/ageing communities	% Population over 65	15%	15%
	Younger communities	% Population under 15	20%	21%
3. Financial Sustainability	Value of rateable land	Value of rateable land - residential	$4,010,200,000	$10,629,400,000
		Value of rateable land - primary production	$519,400,000	$235,600,000
		Value of rateable land - industrial	$84,500,000	$175,700,000
		Value of rateable land - commercial	$192,100,000	$558,300,000
		Value of rateable land - vacant	$507,200,000	$597,900,000
		Value of rateable land - other	$633,100,000	$978,000,000

Category		Measure	Council A	Council B
		Value of rateable land - total	$5,946,700,000	$13,175,000,000
	Estimation of theoretical rate revenue applying current rates[2]	Estimated rate revenue - residential	$10,600,000	$22,500,000
		Estimated rate revenue - commercial	$700,000	$2,200,000
		Estimated rate revenue - industrial	$ 300,000	$700,000
		Estimated rate revenue - primary production	$1,300,000	$500,000
		Estimated rate revenue - vacant	$1,500,000	$1,300,000
		Estimated rate revenue - other	$100,000	$400,000
		Estimated rate revenue - total	$14,600,000	$27,600,000
		Estimated rate revenue as a % of area total rateable property value	0.25%	0.21%
	Road Infrastructure	Km of council roads - unsealed	469.8	260.7
		Km of council roads - sealed	182.8	279.2
4. Operational Sustainability	• This scenario does not present a significant change to the current situation. Councils would likely need to continue and expand service sharing arrangements and State Government partnerships to improve operational sustainability. • Further population growth, construction, and rising land values will likely drive strong future growth in these councils' revenues. • Perhaps the most significant challenge from a sustainability perspective associated with this scenario would be the separation of Taroona's population from Kingborough.			

[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.

Southern Shore: Scenario 2

Overview

This scenario combines the existing LGAs of Huon Valley and Kingborough to create one new council area.

The area reflects similarities in – if not shared – identities, demographic and employment profiles, and future needs and opportunities.

This scenario maximises scale capability potential for the Catchment, and having rural areas connected to significant regional commercial centres would enhance the financial sustainability of the new council.

Existing council service, administration and works hubs could be maintained in Huonville and Kingston.

2021 Population	% Growth 2011-21
59,128	19.0%

Rationale and evidence

Scenario 2 establishes a single council, merging the existing Huon Valley and Kingborough LGAs. Unlike under Scenarios 1 and 2, Taroona is retained in this potential Southern Shore LGA.

While sharing strong commuting links to Hobart, the region is both culturally and demographically distinct from Greater Hobart, and this grouping reflects this orientation.

Key data to assess Scenario 2 against the reform criteria established by the Board are presented in the table below.

Alignment with the principles for successful structural reform

Focus on future community needs: The council hosts two significant regional centres, smaller towns, and surrounding rural communities. Under this scenario 90% of residents would be within a 30-minute drive of the major service and administrative hubs of Kingston and Huonville. The council represents communities with a degree of demographic and economic diversity, which should help ensure financial sustainability.

The area has experienced significant population growth in recent years (19% over the last decade), primarily around the main commercial and population centres. Growth also brings challenges, such as strategic planning, infrastructure and transport needs. Additionally, ageing populations mean the demand for healthcare services is creating particular challenges in the south of the Catchment. At the same time, a significant proportion of young people creates a competing service demand. A larger council would have greater capacity to advocate for their local communities, and to partner with other government agencies to address healthcare and other challenges facing the community.

Scenario 2 would support enhanced scope capabilities in areas such as strategic planning, development, addressing key skills shortages, and could help manage issues such as climate change mitigation, urban consolidation, and infrastructure planning. It would assist with streamlining and implementing initiatives such as the Southern Tasmania Regional Land Use Strategy and could potentially support the expansion of planning initiatives focused on Greater Hobart.

Retain local jobs and services: There is scope to retain existing council administrative and operations hubs in Kingston and Huonville, to maintain local employment and to support local engagement and service delivery. Some other councils across the state, such as Devonport, have fully integrated their customer service centres with Service Tasmania, making it simpler for residents to engage with state and local government services face to face (see Supporting Paper on *State Government Partnership Opportunities*). There is potential to expand this approach in this catchment.

The scale benefits for a larger council include the ability to attract and retain specialist staff and provide better job security and career pathways for 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, allowing for business continuity during periods of leave, and helping 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 administrative tasks and system management, allowing them to focus on improving tailored local services communities.

Preserve and enhance local voice: Ensuring that a single regional council is able not only to preserve but also enhance local voice, representation, and engagement is critical to the viability of this scenario. Despite its increased size, a single council 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, especially from rural communities, 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 area, the total rates revenue in 2021 dollars would be an estimated $45.1m. The council would have access to rates revenue from a mix of residential, commercial and industrial lands. Because both Huon Valley and Kingborough levy similar rates per capita the transition to a common rates regime would be relatively straight forward.

Appropriate resourcing for transition: Transition arrangements for this scenario would need to consider how services provided by entities like the Southern Tasmania Regional Waste Authority, both to member councils and other councils across the broader region, would be undertaken under the new arrangements. Kingborough's status as part owner of the Southern Waste Solutions joint authority also needs to be considered. The fact that Huonville Council holds more net financial assets than Kingborough would also have to be considered during the transition. Geographic Information Systems (GIS) and asset management platforms and services vary across councils. While it would be cost-efficient to move to a single platform, the differences between existing systems are likely to involve transitional costs.

Community data and alignment with reform criteria

The table below presents demographic, household, employment and operational council data for the hypothetical council established under Scenario 2. 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 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
Overview	Demographics	Population	59,128
		Median age	43.3
		SEIFA (decile)[3]	8
	Housing	Total dwellings	25,378
		No. of single person households	5,459 (24.3%)
		% dwellings vacant	9.5
		Indicator	
1. Place and Representation	Alignment with local communities of interest	% local workforce	80.1%
	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.

Category		Measure	Council
	Urbanisation	% of population in urban areas of population 10,000 or greater	43%
	Mobility/Migration	% of population living at a different address 5 years ago	33.4
2. Future Needs and Priorities	Population growth	Population change 2011-21	9,441 (19.0%)
	Housing supply and infrastructure demand	Change in occupied dwelling numbers (2011-21)	3,679
		% change in occupied dwelling numbers (2011-21)	19.7%
	Employment growth	Change in labour force 2011-21 by place of residence	22%
	Older/aging communities	% Population over 65	15%
	Younger communities	% Population under 15	21%
3. Financial Sustainability	Value of rateable land	Value of rateable land - residential	$15,867,900,000
		Value of rateable land - primary production	$797,700,000
		Value of rateable land - industrial	$261,100,000
		Value of rateable land - commercial	$754,900,000
		Value of rateable land - vacant	$1,134,300,000
		Value of rateable land - other	$1,696,200,000
		Value of rateable land - total	$20,512,000,000
		Estimated rate revenue - residential	$35,800,000
		Estimated rate revenue - commercial	$3,000,000
		Estimated rate revenue - industrial	$1,000,000

Category		Measure	Council
	Estimation of theoretical rate revenue applying current rates[4]	Estimated rate revenue - primary production	$1,900,000
		Estimated rate revenue - vacant	$2,900,000
		Estimated rate revenue - other	$500,000
		Estimated rate revenue - total	$45,100,000
		Estimated rate revenue as a % of area total rateable property value	0.22%
	Road Infrastructure	Km of council roads - unsealed	773.1
		Km of council roads - sealed	481.1
4. Operational Sustainability	• The council proposed in this scenario would have access to a large and diverse rate base comprised primarily of residential property but with a good mix of other sources. • This catchment has experienced strong population and economic growth over the past ten years. Further population growth, construction, and rising land values will likely drive strong future growth in this council's revenue. • Incorporating the Huon Valley and Kingborough into a larger Southern Shore Council will likely lead to considerable economies of scale and scope and assist with both the sustainability and coherence of critical strategic, infrastructure, and land-use planning.		

[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.

Southern Shore: Scenario 3

Overview

Scenario 3, like Scenario 2, creates one new council area for the Southern Shore Community Catchment. While it also combines the majority of the Kingborough LGA with the Huon Valley Council, this model sees Taroona, urban Kingston and its immediate surrounds excluded reflecting their urban nature and strong connections to Hobart.

Although not increasing scale to the same degree as Scenario 2 in this *Information Pack,* it creates a council with more similar regional and rural communities of interest. Huonville would likely become the primary service centre for this council.

2021 Population	% Growth 2011-21
32,514	19.9%

Rationale and evidence

Like Scenario 2, Scenario 3 establishes one council area, but without Taroona, urban Kingston, and its immediate surrounds. The scenario includes Margate.

Despite strong commuting links to Hobart from the northern sections of this Catchment, the region is both culturally and demographically distinct from Greater Hobart, and the grouping reflects this orientation.

Agriculture, aquaculture, and tourism are industries in this catchment with growing and significant employment in services industries. Recent population growth and an ageing population highlight the diversity and dynamic nature of the area's demographic mix.

Alignment with the principles for successful structural reform

Focus on future community needs: The council hosts a significant regional centre, smaller towns, and surrounding rural communities. Under this scenario, 88% of residents would be within a 30-minute drive of the major service and administrative hub in Huonville. Although not to the same extent as Scenario 2, the Council represents communities with a degree of demographic and economic diversity, although the smaller scale of the council may impact its longer-term financial sustainability.

The area has experienced significant population growth in recent years, particularly around the main economic and population centre of Huonville and the towns of the northern D'Entrecasteaux Channel. Growth also brings challenges, such as strategic planning, infrastructure and transport needs. Balancing population growth with primary production will require careful attention. A council with increased capacity would be well positioned to work with communities to address these issues.

As has been noted, ageing populations mean the demand for healthcare facilities will increase into the future. Services for younger people are also a pressure in this area. A larger council could more effectively advocate for their local communities, and partner with other government agencies.

Scenario 3 would support enhanced scope capabilities in areas such as strategic planning, development, addressing key skills shortages, and could help with infrastructure planning. It would assist with streamlining and implementing initiatives such as the Southern Tasmania Regional Land Use Strategy.

The trade-off for this model is that the area has a smaller population than others (with the exception of Council A under Scenario 1) in this *Information Pack*, therefore creating a council with less scale and capability. To address cross-LGA issues such as strategic land use planning, there would be a need for these councils to continue substantial cross-LGA coordination through a mechanism like a reformed and expanded Southern Tasmanian Councils Authority (of which Kingborough is not currently a member). Service sharing arrangements may be necessary to reduce the risk of the councils potentially competing for scarce specialist technical staff.

Retain local jobs and services: Establishing a single consolidated council to represent the southern region would deliver scale benefits including the ability to attract and retain specialist staff and provide better job security and career pathways for employees, invest in productivity-enhancing equipment and improve and standardise 'back-office' systems, although

not to the same extent as Scenario 2. Shared services would likely be of use here, especially if supported by remote working options.

A larger regulatory services team would provide greater capacity to manage workloads, allowing for business continuity during periods of leave, and helping 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 administrative tasks and system management, allowing them to focus on improving tailored local services communities.

Some other councils across the state, such as Devonport Council, have fully integrated their customer service centres with Service Tasmania, making it simpler for residents to engage with state and local government services face to face. There is potential to expand this approach in this catchment.

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 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*). 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 area, total rates revenue in 2021 dollars would be an estimated $25.8m. The council would have access to rates revenue from a mix of residential, commercial and industrial land although would have to rely on grant income and shared services given the scale of the council established under this scenario. As noted in Scenario 2, the fact that Huon Valleyand Kingborough Councils apply similar residential rates per capita will assist the transition to common rating system.

Appropriate resourcing for transition:

As noted in Scenario 2, Transition arrangements for this scenario would need to consider how services provided by entities like the Southern Tasmania Regional Waste Authority, both to member councils and other councils across the broader region, would be undertaken under the new arrangements. Kingborough's status as part owner of the Southern Waste Solutions joint authority also needs to be considered.

The fact that Huonville Council holds more net financial assets than Kingborough would also have to be considered during the transition. The allocation of Kingborough Councils assets and resources between a Southern Shores and Western Shore Council under this Scenario would also have to be considered as part of the transitional arrangements.

Community data and alignment with reform criteria

The table below presents demographic, household, employment and operational council data for the hypothetical council established under Scenario 3. 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 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	32,514
		Median age	45.1
		SEIFA (decile)[5]	7
	Housing	Total dwellings	14,537
		No. of single person households	2,831 (23.4%)
		% dwellings vacant	12.4
		Indicator	
1. Place and Representation	Alignment with local communities of interest	% area workforce residing locally	52.6%

[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
	Established administrative, commercial and service hub/s	% of population within 30 mins of administrative hub	88%
	Urbanisation	% of population in urban areas of population 10,000 or greater	0%
	Mobility/Migration	% of population living at a different address 5 years ago	31.9
2. Future Needs and Priorities	Population growth	Population change 2011-21	5,403 (19.9%)
	Housing supply and infrastructure demand	Change in occupied dwelling numbers (2011-21)	1,995
		% change in occupied dwelling numbers (2011-21)	19.7%
	Employment growth	Change in labour force 2011-21 by place of residence	22%
	Older/ageing communities	% Population over 65	15%
	Younger communities	% Population under 15	21%
3. Financial Sustainability	Value of rateable land	Value of rateable land - residential	$8,217,100,000
		Value of rateable land - primary production	$775,500,000
		Value of rateable land - industrial	$154,300,000
		Value of rateable land - commercial	$309,000,000
		Value of rateable land - vacant	$874,600,000
		Value of rateable land - other	$1,111,800,000

Category		Measure	Council
		Value of rateable land - total	$11,442,300,000
	Estimation of theoretical rate revenue applying current rates[6]	Estimated rate revenue - residential	$19,600,000
		Estimated rate revenue - commercial	$1,200,000
		Estimated rate revenue - industrial	$500,000
		Estimated rate revenue - primary production	$1,900,000
		Estimated rate revenue - vacant	$2,300,000
		Estimated rate revenue - other	$200,000
		Estimated rate revenue - total	$25,800,000
		Estimated rate revenue as a % of area total rateable property value	0.23%
	Road Infrastructure	Km of council roads - unsealed	758.4
		Km of council roads - sealed	334.9

[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 proposed in this scenario would have access to a large and diverse rate base composed primarily of residential property but with a good mixture of several other sources, although not to the same extent as Scenario 2. • This Catchment has experienced strong population and economic growth over the past ten years. Further population growth, construction, and rising land values will likely drive strong future growth in this council's revenue. • Incorporating the Huon Valley and rural Kingborough into a larger Southern Shore Council would improve economies of scale and scope and assist with both the sustainability and coherence of critical strategic, infrastructure, and land-use planning. • Perhaps the most significant challenge from a sustainability perspective associated with this scenario is the inclusion of Taroona, urban Kingston, and its immediate surrounds to the Western Shore Catchment.	

3. Comparison of scenarios

Criteria and Indicator	Scenario 1, Council	Scenario 1, Council	Scenario 2	Scenario 3
Place and Representation				
Alignment with local communities of interest ***% area workforce residing locally***	79.7%	63.5%	80.1%	52.6%
Established administrative, commercial and service hub/s ***% of population within 30mins of administrative hub***	90%	95%	90%	88%
Urbanisation ***% of population in urban settlements***	0%	59%	43%	0%
Mobility/Migration ***% of population who have moved in last 5 years***	33.7	34.1	33.4	31.9
Future Needs and Priorities (Note – population projections are not available for SA1 areas)				
Population growth 2011-21 ***% growth and absolute number***	2,472 (16.3%)	6,202 (19.7%)	9,441 (19%)	5,403 (19.9%)
Housing supply and infrastructure demand ***Ten-year change (2011-21) in occupied dwelling***	929 (52.8 per 1000)	2,450 (64.9 per 1000)	3,679 (62.2 per 1000)	1,995 (61.4 per 1000)

Criteria and Indicator	Scenario 1, Council	Scenario 1, Council	Scenario 2	Scenario 3
numbers (absolute and per 1000 pop)				
Employment growth ***% growth in employment since 2011***	17%	23%	22%	22%
Older/ ageing communities population aged over 65 years (% of total)	15%	15%	15%	15%
Younger communities population aged under 15 years (% of total)	20%	21%	21%	21%
Financial Sustainability				
Value of rateable land ***Total $ value within region***	$5,946,671,100	$13,174,968,600	$20,512,063,000	$11,442,304,000
Estimated total rate revenue[7]	$14,648,900	$27,577,500	$45,097,400	$25,805,600
Estimated rate revenue as a % of area total rateable property value	0.25%	0.21%	0.22%	0.23%
Road infrastructure *Length and type of councils roads in new region* *Kms by type*				
Unsealed	469.8	260.7	773.1	758.4

[7] 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	Scenario 1, Council	Scenario 1, Council	Scenario 2	Scenario 3
Sealed	182.8	279.2	481.1	334.9
Additional Key Metrics				
Population	17,611	37,746	59,128	32,514
Median Age	45.9	41.8	43.3	45.1
SEIFA (decile)	5	9	8	7

4. Implications for neighbouring Community Catchments

Community Catchments have been produced 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 Southern Shore Catchment may have implications for neighbouring community catchments and councils therein.

Overall, the Southern Shore Catchment is a reasonably clearly defined geographic area, although the more urban suburbs of Kingston and Blackmans Bay are much more connected to Hobart than the rural hinterland. Specific observations and implications include:

- While coastlines and national parks form the majority of boundaries for this area, determining where the north-eastern boundary should sit is more complex.
- The inclusion or exclusion of Taroona and/or urban Kingston and its immediate surrounds have implications for the Western Shore Catchment.
- Taroona, as a continuously connected suburb of Hobart, is more clearly aligned with the capital city. It was transferred to Kingborough as part of the 1993 local government reforms to boost the population of what was then a much smaller suburb.
- As also discussed, Kingston has strong commuting links north to Hobart, but also is an important service hub for the surrounding rural areas.

5. Appendix

Analysis of existing Councils within (or partially within) the community catchment[8]

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
Hobart	55077	522.8	2499.8	1.59	4	98%	1%	14.7	112%
Huon Valley	18259	132.2	1419	3.26	7	86%	3%	6.7	116%
Kingborough	40082	176.13	1280.43	1.62	7	87%	-3%	0.0	76%

[8] 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
Hobart	100%	53%	65,333	-44%	60,215	855	306,284,605	12
Huon Valley	90%	69%	18,163	43%	585	381	63,915,538	9
Kingborough	78%	69%	23,538	-17%	22,323	635	171,534,597	10

Summary of Updates

Version	Date	Change
V1.1	08/06/2023	Corrected typo in Criteria and Indicator column of Comparison of Scenarios table in Section3.
V1.2	7/7/2023	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.