

**The future
of local
government
review**

North-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 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 councils to increase scale and capability so they can better serve Tasmanian communities. The goal is to design local government in Tasmania in a way that allows all councils to develop and maintain the capability that communities need, while delivering services locally, keeping 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 North-East 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 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 three new councils: A. the existing Break O'Day council area (potentially with Bicheno); B. a council encompassing George Town and Dorset, extending to incorporate Lebrina, and; C. retaining the current Flinders council

Scenario 2 – Establishing two new councils comprising A. the 'mainland' portion of the Community Catchment and B. retaining the current Flinders council

Scenario 3 – Establishing a consolidated North-East council comprising the whole North-East Community Catchment, including Flinders Island

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 council 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 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 on 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

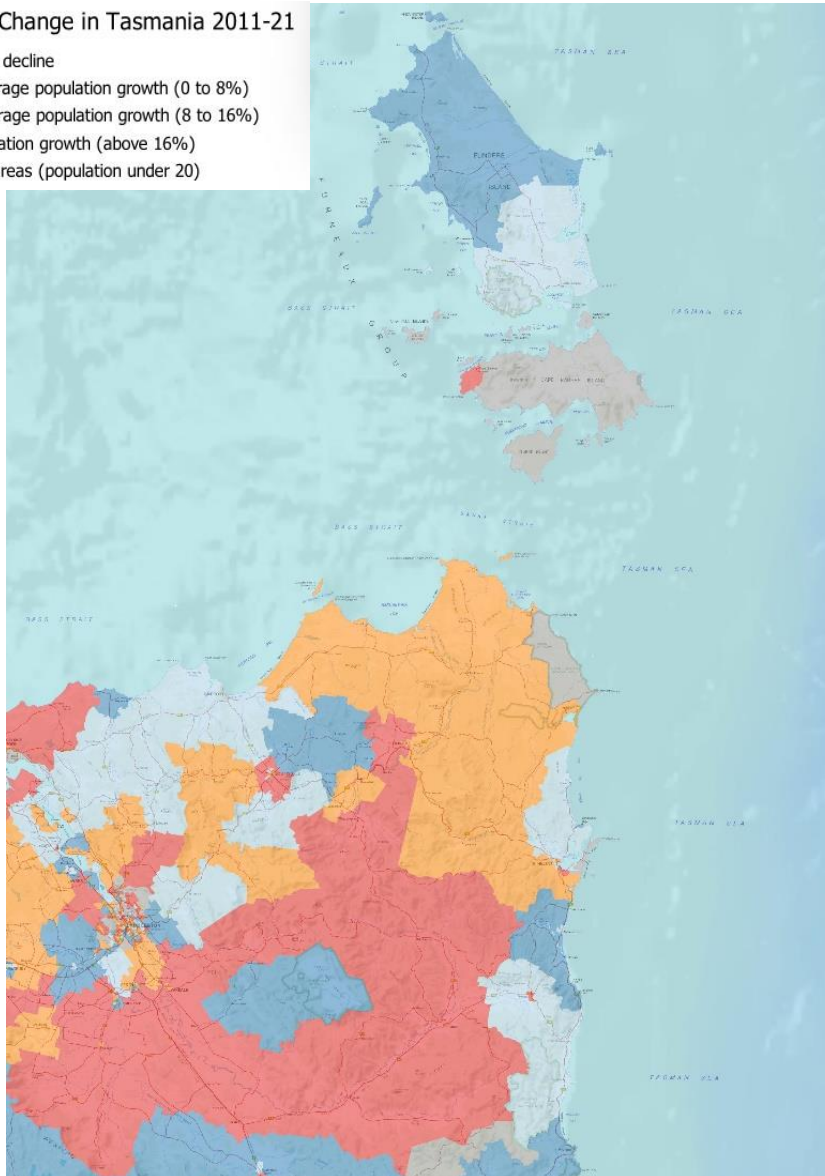
The Information Pack is divided into five main sections:

1. **Introductory information about how to interpret and use the Information Pack (this section);**
2. **An overview of the North-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 North-East Community Catchment

Population Change in Tasmania 2011-21

- population decline
- below average population growth (0 to 8%)
- above average population growth (8 to 16%)
- high population growth (above 16%)
- excluded areas (population under 20)



The North-East Community Catchment encompasses Flinders Island and the Furneaux Islands and the north-eastern corner of Tasmania. From the Tamar River in the west, the Catchment area runs roughly south-east to Freycinet Peninsula, capturing the existing LGAs of Dorset, Flinders, Break O'Day and George Town, and a small portion of Glamorgan Spring-Bay. Cape Barren Island is managed under the trust of the Aboriginal Land Council of Tasmania (ALCT), and is part of the Flinders LGA.

Economically, the area is dominated by agriculture and tourism with the Blue Derby and St Helens Mountain bike trails, the Bay of Fires, and numerous coastal holiday/tourist towns particular attractions. This Community Catchment has the second highest percentage (24.8%) of vacant properties in Tasmania, reflecting the prevalence of holiday homes in north-eastern Tasmania.

While the sparsely populated, regional nature of the Catchment LGAs mean that their commuting connections are not as strong as for urban regions, the data clearly show they are more closely connected to one other than to any other existing council areas. This relative isolation and shared geography also link these areas into a broader community of interest. While resident movement and community connections are not as strong between Flinders Island and Cape Barren Island and the mainland parts of this Catchment, the importance of Bridport as a freight and transit link means they are nevertheless important contributors to the North-East Tasmania consultation group.

This region faces a range of economic and demographic challenges as well as important emerging opportunities. Like many of the State's more rural areas, these include population ageing (median age in the catchment is 49.4) and below average population growth (5.3% over the last decade), as

well as population decline in some of the more rural areas. The number of people with disability is relatively high in the region - 32.4% of people in Break O'Day LGA have a disability - so service needs in the future are likely to be high. Individual councils are grappling with how to entice young people to stay in the area and are working to translate increased visitor numbers and other emerging industries into long-term benefits for local communities. As with the rest of Tasmania, there are acute housing shortages in some parts of the Catchment, and access to healthcare, education and training as well as workforce shortages present challenges. The seasonality of key industries compounds these issues. The area has experienced extreme weather events in recent years with, for instance, heavy rains and flash flooding events damaging important transport links and impacting crop yields. Such events are expected to increase in frequency and intensity because of climate change.

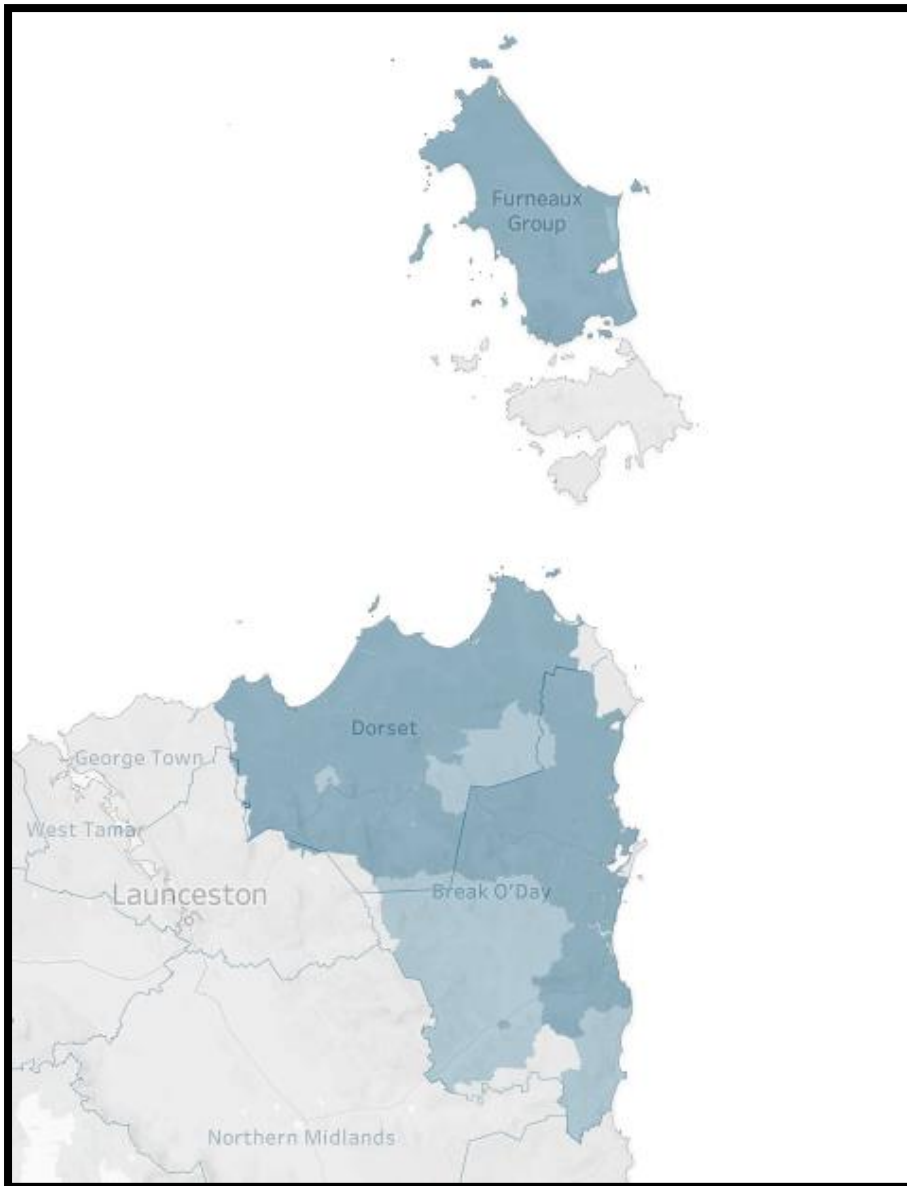
Waste management is also an issue for this region. Increased environmental compliance requirements can place a strain on small local governments, particularly for a remote community such as Flinders Island, but also for the other areas of north-east Tasmania. Neither Break O'Day nor Dorset have active landfills, meaning waste must be transported over significant distances and at considerable expense.

These issues pose clear - but not insurmountable - challenges to the region's economic sustainability. They are compounded, as we have noted, in many places by workforce shortages and high service provision costs arising from the relatively small and dispersed nature of the region's population. Existing councils partly address these challenges by participating in shared service arrangements with councils in the Northern region.

In this catchment, the Board is seeking to establish a system of local government that can:

- fulfil all council planning and development functions that will contribute to councils' role in improving housing supply
- advocate effectively to the State and Commonwealth Governments to play their respective parts in providing infrastructure and to partner on economic development and job creation opportunities
- maximise the community benefit arising from the energy and tourism industries in the region
- deliver to residents and businesses the range of regulatory services expected of all councils
- provide services to both older and younger residents, given the concentrations of both young families and retirees.

Commuting into the North-East Community Catchment.



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 their 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 that illustrate commuting to major employment centres as a tool to help inform community discussions around boundary consolidation options.

Another 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 in that area – the local workforce ratio.

The existing Break O'Day and Dorset council areas have very similar local workforce ratios – at 76.5% and 77.5% respectively. Flinders, given its relative isolation, ranks highly at 99.5%. Both Break O'Day and Dorset have some connections to George Town and Launceston but are more connected to each other than to any other LGA.

Key

Unshaded – SA1s where fewer than 30 workers (less than 13 %) work within the Community Catchment

Light blue – between 30 and 100 (13%-40%) workers work within the Community Catchment

Dark blue – more than 100 (40%) workers work within the Community Catchment

As a result, the local workforce ratio for these three areas combined is very high at 95.6%, highlighting how the North-East Catchment as a whole is a distinct regional community. However, given that these LGAs are already highly representative of their residents' daily patterns of movement, the rationale for consolidating them in any of the combinations discussed below will likely hinge more on scale and the sustainability of councils rather than analysis of commuting patterns.

Consideration must be given in this catchment to whether the south-eastern boundary of this council area should extend to Bicheno. While some commuting connections are evident between St Helens-Scamander and Bicheno, they are not especially strong and do not extend to other parts of the region.

		Place of work (*Areas based on ASGS SA2)					
		St Helens- Scamander	Scottsdale- Bridport	Flinders Island	Bicheno	George Town	Launceston
Place of usual residence	St Helens- Scamander	1790	38	0	54	10	78
	Scottsdale- Bridport	7	2227	0	3	100	222
	Flinders Island	0	0	421	0	0	3
	Bicheno	15	4	0	1568	0	21
	George Town	6	34	0	0	1434	731
	<u>Local workforce ratio</u>	92%	86.6%	94.8%	83.8%	50.2%	-

North-East: Scenario 1



Overview

Scenario 1 would establish three council areas for the Catchment.

Council A comprises the existing Break O'Day potentially incorporating Bicheno, subject to further council and community discussion. Council B combines the current George Town and Dorset and extends to include Lebrina. Council C is the existing Flinders LGA.

Under this scenario, the three councils have been established based on communities of interest and geography. The Community Catchment is grouped into an island community, and two mainland LGAs along different coastlines, with similar economic and demographic profiles. In Council B, Dorset and George Town are combined, reflecting the similarities and connections between George Town's hinterland and the coastal and rural communities further east. This also creates one council of moderate scale which would increase capability in the region.

Council B is primarily characterised by agriculture, tourism and manufacturing and industries and Council C by agriculture and tourism, but with issues specific to its remote island geography. Council A is also characterised by tourism in the coastal towns with agriculture in its hinterland and the Fingal Valley.

Council Area	2021 Population	% Growth 2011-21
Area A	6,749	9.1%
Area B	14,303	3.4%
Area C	914	18.4%

North-East Scenario 1

Existing customer service, works, and administrative hubs could be maintained under this model. Shared service and/or a cross-LGA coordination mechanism as well as broader regional and state-level partnerships and collaborations would be necessary to meet future community needs. This scenario also deliberately invites community discussion about two specific boundary issues, which require further investigation and discussion. The first concerns whether the Bicheno community (population 1,050) is oriented more to the north or south of the east coast. If north, this would establish the southern boundary of Council A.

The second concerns George Town. The current George Town LGA has also been included in scenarios in the Tamar Community Catchment Information Pack. The Board is interested in views on whether George Town is better aligned with communities in the Tamar, or communities in the North-East Catchment.

Rationale and evidence

This scenario involves the consolidation of the existing George Town and Dorset Councils, recognition of Flinders Island's highly distinctive needs and identity, and the potential for Bicheno to be incorporated into Council A.

This configuration aligns with existing and future communities of interest by retaining a council to represent the Furneaux Islands (Council C); establishing a council each to represent the manufacturing, agricultural and coastal communities of the northern coastal area (Council B) and the coastal and agricultural communities of the northern east coast (Council A).

Creating a larger northern coastal council (B), with a population of approximately 14,300 would build some additional scale and capability required to help meet future community needs, relative to the status quo. However, under this scenario all councils within the Catchment would likely

need to increase resource and service sharing. There are already sharing arrangements in place with councils in the Tamar Valley, and these may need to be continued or enhanced. This is especially true for Council C given its remoteness, size, and the important role of local government in the island community. Given this challenge, it will be important for councils and communities in the Catchment and beyond to consider innovative models and governance arrangements for supporting Council C and its community in the future. Options for representing and providing services to remote communities are discussed in the Supporting Paper on '*Strong and empowered local communities*'.

Alignment with the principles for successful structural reform

Focus on future community needs: Councils A and B established under this scenario include significant regional towns and smaller dispersed communities. Council C comprises the Furneaux islands, with the main (but still small) centre of Whitemark on Flinders Island. In Council A, 66% of residents would be within a 30-minute drive of the likely service hub of St Helens; in Council B, 90% within 30 minutes of George Town or Scottsdale, and in Council C, 83% within 30 minutes of Whitemark. This figure is higher than in Scenarios 2 and 3, reflecting the smaller council areas of this model. The trade-off which the community will have to consider is whether a three-council model is the most effective and sustainable model for balancing representation with service quality and ongoing sustainability.

This scenario recognises the common interests and the relatively high local workforce ratios in all three areas that would be covered by the new councils: 73%, 77% and 99% respectively. All three areas have experienced different levels of population growth and ageing over the last decade and with Council areas A and C now reporting a median age of over 50 (51.7 and 58 respectively).

North-East Scenario 1

Under this scenario, all three councils would need to embrace regional approaches to issues such as planning and regulatory services, climate change, and waste management. This may be able to be achieved by building on the considerable service sharing arrangements in place with Tamar Valley councils and other regional initiatives. Inevitably Council C is very likely to remain an order of magnitude smaller than its neighbouring councils and will become increasingly dependent on shared services and partnerships at a local or regional scale.

Retain local jobs and services: There is significant scope to retain existing council administrative and operations hubs in the townships of George Town, Scottsdale and St Helens. This would maintain local employment and support local engagement and service delivery. Given the relatively small size of Councils A and C (serving populations of around 6,700 and 900 respectively), and the recent experience of most of the councils, there will be ongoing challenges recruiting and retaining staff, particularly those with technical skills and specialisations. Access service sharing arrangements, either at regional or state level, are likely to be necessary.

The integration of centralised or standardised corporate 'back-office' systems or services for council finance and administration could benefit all councils to varying degrees, depending on their particular capabilities and needs. This 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*). The fact that Council B in particular will have a larger workforce to improve economies of scope in service delivery. There is also the potential for partnerships with State Government services and bodies, such as Service Tasmania, to provide combined customer service centres, to enhance service delivery (see the *State Government partnership opportunities for Local Government* supporting paper).

Preserve and enhance local voice: Council B in particular should have increased capacity to invest in new and more systematic approaches to community engagement to ensure all communities within the larger council areas are heard and represented. Councils A and C are not radically changed from existing arrangements and would not benefit from increased scale but would be supported to enhance community engagement methods (see Supporting Paper on *Supporting Strong and Empowered Local Communities*).

Additionally, for Council C there may be merit in developing new models of representation and advocacy such as establishing an island commissioner or similar position responsible for coordinating service provision and integration between the council and other levels of government and representing and advocating for the needs of the island, again, as discussed further in the *Supporting Strong and Empowered Local Communities Supporting Paper*.

Fair funding models: Applying existing rates and funding models to the new council areas, their total rates revenue in 2021 dollars would be an estimated \$7.7 million for council A, \$15 million for Council B, and \$2.1 million for Council C, highlighting that Council's significant ongoing reliance on funding support through grants and transfers.

While Council B would have access to rates revenue from a relatively well-balanced mix of residential, commercial, and industrial land, George Town Council's higher rates for commercial and industrial property, and locally targeted residential rate structure, would need to be considered carefully to create a fair and sustainable rating system across the new council.

Two of the current councils in this Catchment have averaged deficits over the last 10 years, suggesting that new and innovative funding arrangements

will need to be considered councils in the region to ensure their financial sustainability in the long term.

Appropriate resourcing for transition: As well as considering rating issues, transition arrangements for this scenario would need to consider how services provided by the Northern Tasmania Development Corporation (NTDC) and the Northern Tasmanian Waste Management Group, both to member councils and other councils across the broader region, would be undertaken under the new arrangements.

Community data and alignment with reform criteria

The table below presents demographic, household, employment and operational council data for hypothetical councils established under each of the consultation scenarios. These data have been produced by modelling ABS Census at the SA1 level and other relevant data sets to align with the hypothetical boundaries under 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	Council C
Overview	Demographics	Population	6,749	14,303	914
		Median age	55.5	47.7	56.9
		SEIFA (decile) ¹	2	1	5
	Housing	Total dwellings	3,005	5,792	415
		No. of single person households	1,075 (35.7%)	1,804 (31.2%)	157 (37.8%)
		% dwellings vacant	29.7	17.8	25.9
		Indicator			
1. Place and Representation	Alignment with local communities of interest	% area workforce residing locally	73%	77.6%	99.5%
	Established administrative, commercial and service hub/s	% of population within 30 mins of administrative hub	66%	90%	83%
	Urbanisation	% of population in urban areas of population 10,000 or greater	0%	0%	0%

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.

North-East Scenario 1

Category		Measure	Council A	Council B	Council C
	Mobility/Migration	% of population living at a different address 5 years ago	33.5%	29.9%	36.1%
2. Future Needs and Priorities	Population growth	Population change 2011-21	563 (9.1%)	474 (3.4%)	142 (18.4%)
	Housing supply and infrastructure demand	Change in total dwelling numbers (2011-21)	430	335	66
		% change in total dwelling numbers (2011-21)	16.7%	6.1%	18.9%
	Employment growth	Change in labour force 2011-21 by place of residence	12%	4%	13%
	Older/ageing communities	% Population over 65	22%	18%	22%
	Younger communities	% Population under 15	17%	20%	14%
3. Financial Sustainability	Value of rateable land	Value of rateable land - residential	\$1,930,400,000	\$2,844,400,000	\$192,000,000

North-East Scenario 1

Category		Measure	Council A	Council B	Council C
		Value of rateable land - primary production	\$451,600,000	\$1,660,400,000	\$242,300,000
		Value of rateable land - industrial	\$18,400,000	\$154,000,000	\$2,500,000
		Value of rateable land - commercial	\$150,300,000	\$187,900,000	\$20,400,000
		Value of rateable land – vacant	\$263,000,000	\$ 245,300,000	\$51,600,000
		Value of rateable land - other	\$365,800,000	\$562,300,000	\$88,300,000
		Value of rateable land – total	\$3,179,500,000	\$5,654,300,000	\$597,000,000
	Estimation of theoretical rate revenue applying current rates ²	Estimated rate revenue - residential	\$4,500,000	\$7,100,000	\$800,000
		Estimated rate revenue - commercial	\$600,000	\$1,100,000	\$80,000

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 on revenue and value of rateable land is provided in the Methods and Technical Background Supporting Paper.

North-East Scenario 1

Category		Measure	Council A	Council B	Council C
		Estimated rate revenue - industrial	\$100,000	\$1,700,000	\$8,000
		Estimated rate revenue - primary production	\$1,400,000	\$3,600,000	\$900,000
		Estimated rate revenue - vacant	\$900,000	\$1,100,000	\$300,000
		Estimated rate revenue - other	\$70,000	\$500,000	\$20,000
		Estimated rate revenue - total	\$7,700,000	\$15,000,000	\$2,100,000
	Road Infrastructure	Km of council roads - sealed	204.2	447.2	72.5
		Km of council roads - unsealed	274.1	557.8	273.7
	4. Operational Sustainability	<ul style="list-style-type: none">• The three councils would be operating at different scales and so would have different capabilities. Shared service arrangements between them, and/or with regional or state-wide entities, would be needed to ensure all councils have access to the range of capabilities they need.• All councils would benefit from participating in state-wide service-sharing arrangements for ‘back-office’ services such as IT systems, accounting, and procurement.• Many of the current service sharing agreements would need to continue or be enhanced to enable collaboration between the three councils, and to continue the benefits they derive from other councils outside this area.			

North-East: Scenario 2



Overview

Scenario 2 would establish a single north east council area and one island-based council area: (A) combining the existing Dorset and Break O'Day LGAs; (B) retaining the existing Flinders council area. This scenario excludes the existing George Town LGA from consideration.

This scenario recognises the distinctive nature and needs of the Flinders community (Council B). Council A reflects similar communities of interest, demographic profile and geography, but significantly increases scale opportunities by consolidating the three councils in north-eastern Tasmania.

The economies of both Council areas in this scenario are dominated by agriculture and tourism, with Council B also facing the specific issues associated with its remote island geography.

Existing customer service, works, and administrative hubs in Whitemark, Scottsdale and St Helens could be maintained under this model. As in Scenario 1, Council B would require significant support from shared service arrangements, either from the Council A or from other regional or state-wide bodies.

Council Area	2021 Population	% Growth 2011-21
Area A	13,929	4.6%
Area B	914	18.4%

This scenario does not include George Town Council, which is included under the Tamar Valley Community Catchment.

Rationale and evidence

This scenario involves the consolidation of Dorset and Break O'Day Councils, with Flinders maintained as a separate LGA. This arrangement balances scale capability opportunities across mainland councils, while recognising the distinctive needs of the Flinders community.

It builds on some existing collaborations, including Dorset and Break O'Day's collaboration to develop a popular network of mountain bike trails and associated tourism attraction. Despite some scale benefits arising from the creation of Council A, all councils within the Catchment would need to increase resource and service sharing at a regional or state-wide scale, particularly Flinders Council given its remoteness, size and the central and important role of local government to the island community. Given the island community's challenge it will be important for councils and communities in the Catchment and beyond to consider innovative models for supporting the Flinders community in the future (See Supporting Paper *Supporting Strong and Empowered Local Communities*).

A further consideration under this scenario would include Bicheno as part of Council A. The Board is interested in feedback on whether the southern boundary of Council A should be extended to include Bicheno, and whether this coastal town sees itself as more socially and economically connected to the north or south of the east coast.

Alignment with the principles for successful structural reform

Focus on future community needs:

The two councils established under this Scenario include significant regional towns and their rural hinterlands. 74% of residents would be

within a 30-minute drive of the major service and administrative hubs of Scottsdale, St Helens and, for Whitemark, 83%.

Communities will have to consider whether a two-council model is the most effective and sustainable one for providing local representation and services to the North-East region, and whether Flinders would be best served as its own council or part of a larger council entity (potentially with some form of additional supporting governance arrangements recognising its unique needs). Given the geography of the region, Council B will remain smaller than its neighbouring councils and will have to share services on a local or regional scale.

For the communities of the existing Dorset and Break O'Day LGAs, consolidation would provide opportunities to enhance collaboration between the areas, work more closely with State Government agencies and have a larger platform from which to advocate. Both councils are currently grappling with how to provide infrastructure and translate increased visitor numbers into long-term benefits for their communities. Consolidation would enhance the capabilities of Council A in areas such as strategic planning, development, and environmental health assessment. Despite this increased scale, this new council would still likely need to rely on service sharing and partnerships, such as existing arrangements with Tamar Valley councils, to access the capability needed in these areas.

Retain local jobs and services: There is significant scope to retain existing council administrative and operations hubs in the regional townships of Whitemark, Scottsdale, and St Helens to maintain local employment and to support local engagement and service delivery. Given the very small size of Council B (serving a population of only 922), models of sharing specialist and technical staff on a regional or state-wide scale will be required.

The integration of centralised or standardised corporate ‘back-office’ systems or services for council finance and administration would benefit both councils to varying degrees, but with Council B more likely to benefit from access to a wide range of services. This 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*). Co-location or increased collaboration with State Government agencies such as Service Tasmania (as already occurs in customer service centres in Beaconsfield, Oatlands, and Currie) are potential options to be further considered for both councils (see *Supporting Paper on State Government Partnership Opportunities*).

Preserve and enhance local voice: Both councils would have opportunities to enhance local voice, although at different scales. The new, larger Council A would have the capacity to invest in new and more systematic approaches to community engagement to ensure all communities within the larger council areas are heard and represented.

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. Operations hubs could also be used for a program of scheduled regional council meetings in different areas of the municipality. Council B, although not benefiting from increased scale, would be supported to enhance community engagement methods through specific reforms recommended by the Review.

For Council B, there may be merit in establishing an island commissioner or similar position responsible for coordinating service provision and integration between the council and other levels of government and representing and advocating for the needs of the island (as discussed in the *Supporting Paper on Supporting Strong and Empowered Local Communities*).

Fair funding models: Applying existing rates and funding models to the new council areas, their total rate revenues in 2021 dollars would be an estimated \$14.8 million for Council A, and \$2.1 million for Council B, highlighting how the latter council area is an order of magnitude smaller than Council A and would continue to rely heavily on funding support from grants and transfers.

Two of the current councils in this Catchment have averaged deficits over the last 10 years, suggesting that new and innovative funding arrangements will need to be considered councils in the region to be financially sustainable in the long term.

Appropriate resourcing for transition: Transition arrangements for this scenario would need to consider how existing regional partnerships and services, such as East Coast Tourism and Break O’Day Employment Connect would be continued and potentially expanded under the proposed structure.

Community data and alignment with reform criteria

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

As we have indicated, these data are indicative and are designed to inform community discussions about the merits of different

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

Summary Data – Scenario 2

Category		Measure	Council A	Council B
Overview	Demographics	Population	13,929	914
		Median age	51.6	56.9
		SEIFA (decile) ³	2	5
	Housing	Total dwellings	5,871	415
		No. of single person households	1,964 (33.5%)	157 (37.8%)
		% dwellings vacant	24.8	25.9
		Indicator		
1. Place and Representation	Alignment with local communities of interest	% area workforce residing locally	73%	99.5%
	Established administrative, commercial and service hub/s	% of population within 30 mins of administrative hub	74%	83%
	Urbanisation	% of population in urban areas of population 10,000 or greater	0%	0%
	Mobility/Migration	% of population living at a different address 5 years ago	31.0	36.1

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

Category		Measure	Council A	Council B
2. Future Needs and Priorities	Population growth	Population change 2011-21	610 (4.6%)	142 (18.4%)
	Housing supply and infrastructure demand	Change in total dwelling numbers (2011-21)	469	66
		% Change in total dwelling numbers (2011-21)	8.7%	18.9%
	Employment growth	Change in labour force 2011-21 by place of residence	7%	13%
	Older/aging communities	% Population over 65	20%	22%
	Younger communities	% Population under 15	18%	14%
3. Financial Sustainability	Value of rateable land	Value of rateable land - residential	\$3,387,900,000	\$192,000,000
		Value of rateable land - primary production	\$1,787,500,000	\$242,300,000
		Value of rateable land - industrial	\$48,400,000	\$2,500,000
		Value of rateable land - commercial	\$291,000,000	\$20,400,000
		Value of rateable land - vacant	\$377,800,000	\$51,600,000

North-East Scenario 2

Category		Measure	Council A	Council B
		Value of rateable land - other	\$715,300,000	\$88,300,000
		Value of rateable land - total	\$6,607,900,000	\$597,000,000
	Estimation of theoretical rate revenue applying current rates ⁴	Estimated rate revenue - residential	\$7,300,000	\$800,000
		Estimated rate revenue - commercial	\$1,500,000	\$80,000
		Estimated rate revenue - industrial	\$200,000	\$8,000
		Estimated rate revenue – primary production	\$4,200,000	\$900,000
		Estimated rate revenue - vacant	\$1,200,000	\$300,000
		Estimated rate revenue - other	\$500,000	\$20,000
		Estimated rate revenue - total	\$14,800,000	\$2,100,000
	Road Infrastructure	Km of council roads - sealed	467.2	72.5
		Km of council roads - unsealed	735.3	273.7

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 on revenue and value of rateable land is provided in the Methods and Technical Background Supporting Paper.

Category	Measure	Council A	Council B
4. Operational Sustainability	<ul style="list-style-type: none">The two councils would be operating at very different scales and so would have markedly different capabilities.Council B would need to establish service sharing arrangements to supplement its capacity, and Flinders Council currently does this with both North-East and Tamar Valley councils.All councils may benefit from participating in centralised -sharing arrangements for 'back-office' services such as IT systems, accounting, and procurement.		



North-East: Scenario 3

Overview

Scenario 3 creates one new council area for the North-East Community Catchment, consisting of the existing Dorset, Break O'Day, and Flinders LGAs.

Under this scenario, the entire community catchment becomes one LGA, recognising the interconnections (for example, through work, travel, service delivery) between communities, common economic and demographic profile, and the natural geography of this region. This proposal maximises possible scale capabilities for the catchment, and the scope for strategic coordination across the area.

This scenario has the potential to host a number of administration and service centres plus supporting works and service hubs in other locations to maintain regional employment opportunities.

2021 Population	% Growth 2011-21
14,843	5.3%

Rationale and evidence

This scenario brings together the current Dorset, Break O’Day, and Flinders LGAs. It maximises potential scale capabilities within this Community Catchment and reduces the need for shared service arrangements across north-eastern Tasmania.

The area has significant shared interests, opportunities, and needs. While the sparse population and physical size of these LGAs mean that their commuting connections are not as strong as for urban regions, the data clearly show that they are more closely connected to each other than to any other council areas. This relative isolation and shared geography also link these areas into a broader community of interest.

Maintaining existing customer service, administration and works hubs would help maintain local employment and service delivery, while increasing the ability of the council to attract and retain critical workers.

While a consolidated council would have greater capability than individual councils currently do, it would still be only a medium sized council in Tasmanian terms. It is likely to still find it difficult to access all specialist technical services and will need to source some services from outside the region.

The other challenge for the single council model will be ensuring local representation, employment, and service delivery across the entire North-East Tasmania Community Catchment (particularly for Flinders Island), although the consolidated council would have the resources (hypothetical revenue of \$17.2 million) to invest in community engagement, expanded services and establishing administrative and service delivery hubs across the community.

While resident movement and connections are not as strong between Flinders and Cape Barren Islands and the mainland parts of this region, Bridport is an important connection for freight and transit links. Passenger air services for the islands are primarily through Launceston, which is an important hub for medical and other services.

Recognising the common community of interest along the east coast, a further consideration under this scenario would be the inclusion of Bicheno as part of the new larger council. The Board is interested in feedback on whether the southern boundary of Council A should be extended to include Bicheno, and whether this coastal town sees itself as more socially and economically connected to the north or south of the east coast.

Alignment with the principles for successful structural reform

Focus on future community needs: The consolidated council established under this scenario would have a population approaching 15,000 and improved resources and capabilities to better respond to emerging community needs. In terms of accessing services, if existing council offices across the Community Catchment were maintained as a part of a network model, then 74% of residents would be within a 30-minute drive of the major service and administrative hubs. The trade-off which the community would have to consider is whether a single council model is the most effective and sustainable one for providing local representation and services across the north-east, particularly in the case of communities on Flinders and Cape Barren islands.

The area does have solid geographic, economic, and social connections, with employment driven primarily by agriculture and tourism. It faces many shared challenges, such as an ageing population, housing, and

access to healthcare and educational services. A council of greater scope and with an increased platform for advocacy and supporting strategic partnerships would be better placed to address these issues and future community needs.

Under this model, there would be less need for regional shared services arrangements although, as with Scenario 2, existing regional organisations, and service providers such as East Coast Tourism and the many current links with Tamar Valley councils could potentially expand their operations to a regional scale. A larger council would be well placed to advocate for the north-eastern Tasmanian community and enter strategic partnerships with other tiers of government. It would also be well placed to deliver effective land use and strategic planning, the Northern Tasmania Regional Land Use Strategy (NTRLUS).

Retain local jobs and services: Establishing a single consolidated council to represent the North-East Community Catchment would deliver some scale benefits. Given the geographically dispersed nature of the Catchment, cloud-based services and systems could support regionally-based staff and enhance service delivery (see Supporting Paper – *Shared Services Models*). Retaining existing works and service centres would support local jobs and services.

Flinders Island would benefit from improved access to professional staff by being as part of a much larger council. Despite this, it would likely still be challenging to attract and retain specialist staff for some regulatory matters such as planning, building and environmental health, and regional or state-wide shared service arrangements may still be needed.

There would have to be a clear strategy of retaining jobs and teams across the region to maintain local employment and knowledge.

Co-location or increased collaboration with State Government agencies such as Service Tasmania are potential options to be further considered. One model for how this could work is provided by Devonport Council and Service Tasmania, which have fully integrated their customer service centres to make it simpler for residents to engage with state and local government services face to face (see Supporting Paper on *State Government Partnership Opportunities*).

Preserve and enhance local voice: The greatest challenge, which requires careful community consideration, is how to ensure that a single regional council preserves and enhances local voice. A single consolidated council would have the capacity to invest in new and more systematic approaches to community engagement to ensure all communities within the larger council areas are heard and represented.

Special consideration would have to be given to representing the needs of the Flinders community given its remoteness, small scale and distinctive needs. Any model would need to be co-designed with these communities. Some options discussed in more detail in *Supporting Strong and Empowered Local Communities* include:

- the creation of community advisory panel/s to ensure communities have formal representation and direct influence over community budget priorities;
- establishing an island commissioner or similar position responsible for coordinating service provision and integration between the council and other levels of government, and representing and advocating for the needs of the island;

- exploring alternative governance options for the most sparsely populated areas, such as ‘unincorporated area’ models used in other jurisdictions; and
- 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 there would be total rates revenue in 2021 dollars of an estimated \$17.2 million. The consolidated council would have access to a larger rate base drawn from a mix of residential, commercial, and agricultural land. As noted above, the fact that Dorset Council applies lower residential rates than Break O’Day and Flinders would have to be managed in any transition.

Two of the current councils in this Catchment have averaged deficits over the last 10 years, suggesting that new and innovative funding arrangements will need to be considered councils in the region to be financially sustainable in the long term.

Appropriate resourcing for transition: Transition arrangements would have to consider the need for existing regional structures and how best to adapt and integrate the systems across the existing councils into an integrated framework to meet the future needs of the North-East Tasmanian community. Existing regional partnerships and services, such as East Coast Tourism and Break O’Day Employment Connect could be maintained and expanded under the proposed structure.

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 modelling ABS Census at the SA1 level and other relevant data sets to align with the hypothetical boundaries under 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 A
Overview	Demographics	Population	14,843
		Median age	51.9
	Income and Employment	Local workforce ratio	95.6%
		SEIFA (decile) ⁵	2
	Housing	Total dwellings	6,286
		No. of single person households	2,121 (33.7%)
		% dwellings vacant	24.8
		Indicator	
1. Place and Representation	Alignment with local communities of interest	% area workforce residing locally	81%
	Established administrative, commercial and service hub/s	% of population within 30 mins of administrative hub	74%
	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	31.4

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 A
2. Future Needs and Priorities	Population growth	Population change 2011-21	752 (5.3%)
	Housing supply and infrastructure demand	Change in total dwelling numbers (2011-21)	535
		% Change in total dwelling numbers (2011-21)	9.3%
	Employment growth	Change in labour force 2011-21 by place of residence	7%
	Older/aging communities	% Population over 65	20%
	Younger communities	% Population under 15	18%
3. Financial Sustainability	Value of rateable land	Value of rateable land - residential	\$3,580,000,000
		Value of rateable land - primary production	\$2,029,800,000
		Value of rateable land - industrial	\$50,900,000
		Value of rateable land - commercial	\$311,300,000
		Value of rateable land – vacant	\$429,500,000
		Value of rateable land – other	\$803,600,000
		Value of rateable land - total	\$7,204,900,000

Category		Measure	Council A
	Estimation of theoretical rate revenue applying current rates ⁶	Estimated rate revenue - residential	\$8,100,000
		Estimated rate revenue - commercial	\$1,600,000
		Estimated rate revenue - industrial	\$200,000
		Estimated rate revenue - primary production	\$5,200,000
		Estimated rate revenue - vacant	\$1,500,000
		Estimated rate revenue - other	\$500,000
		Estimated rate revenue - total	\$17,200,000
	Road Infrastructure	Km of council roads - sealed	539.7
		Km of council roads - unsealed	1,009.1
4. Operational Sustainability	<ul style="list-style-type: none"> The council would be operating at a very different scale from current councils, having greater capabilities to support its communities. The council may benefit from participating centralised sharing arrangements for 'back-office' services such as IT systems, accounting, and procurement. It may also benefit from regional service sharing arrangements with the more populous councils in the Tamar Valley. 		

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 on revenue and value of rateable land is provided in the Methods and Technical Background Supporting Paper.

3. Comparison of proposed councils by scenario

Criteria and Indicator	Metric					
	Scenario 1 Council A	Scenario 1 Council B	Scenario 1 Council C	Scenario 2 Council A	Scenario 2 Council B	Scenario 3
Place and Representation						
Alignment with local communities of interest <i>% area workforce residing locally</i>	73%	77.6%	99.5%	73%	99.5%	81%
Established administrative, commercial and service hub/s <i>% of population within 30 mins of administrative hub</i>	66%	90%	83%	74%	83%	74%
Urbanisation <i>% of population in urban areas of population 10,000 or greater</i>	0%	0%	0%	0%	0%	0%
Mobility/Migration <i>% of population who are living at a different address 5 years ago</i>	33.5%	29.9%	36.1%	31%	36.1%	31.4%
Future Needs and Priorities (Note – population projections are not available at SA1 level)						
Population growth 2011-21 <i>% growth and absolute number</i>	563 (9.1%)	474 (3.4%)	142 (18.4%)	610 (4.6%)	142 (18.4%)	752 (5.3%)

Criteria and Indicator	Metric					
	Scenario 1 Council A	Scenario 1 Council B	Scenario 1 Council C	Scenario 2 Council A	Scenario 2 Council B	Scenario 3
Housing supply and infrastructure demand Ten-year change (2011-21) in dwelling numbers (absolute and per 1000 pop)	430 (64.2 per 1000)	335 (23.4 per 1000)	66 (73.3 per 1000)	469 (33.7 per 1000)	66 (73.3 per 1000)	535 (36.1 per 1000)
Employment growth % Change in labour force 2011-21 by place of residence	12%	4%	13%	7%	13%	7%
Older/ ageing communities %Population over 65	22%	18%	22%	20%	22%	20%
% Population under 15	17%	20%	14%	18%	14%	18%
Financial Sustainability						
Value of rateable land Total \$ value within region	\$3,179,547,900	\$5,654,347,900	\$596,995,800	\$6,607,940,500	\$596,995,800	\$7,204,936,300
Estimated total rate revenue⁷	\$7,679,200	\$14,996,000	\$2,140,500	\$14,826,000	\$2,140,500	\$17,185,200
Estimated rate revenue as a % of area total rateable property value	.26%	.28%	.39%	.24%	.39%	.25%

⁷There 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 Council A	Scenario 1 Council B	Scenario 1 Council C	Scenario 2 Council A	Scenario 2 Council B	Scenario 3
Road infrastructure <i>Length and type of council roads in new region</i> <i>Km by type</i>						
Km of council roads - sealed	204.2	447.2	72.5	467.2	72.5	539.7
Km of council roads - unsealed	274.1	557.8	273.7	735.3	273.7	1,009.1
Additional Key Metrics						
Population	6,749	14,303	914	13,929	914	14,843
Median Age	55.5	47.7	56.9	51.6	56.9	51.9
Median household income (or SIEFA)	2	1	5	2	5	2

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 North-East Catchment may have implications for neighbouring Community Catchments and councils therein.

Overall, the North-East Catchment is reasonably clearly defined and self-contained, although two specific boundary questions need to be considered:

- Further investigation and community consultation is required to establish whether Bicheno is oriented more to the north or south

of the east coast. If north, this would shift the northern boundary of the existing Glamorgan-Spring Bay LGA.

- Scenario 2 combines the existing George Town and Dorset LGAs and extends to include Lebrina. Lebrina is currently located within the City of Launceston LGA. These inclusions in the North-East Community Catchment (as opposed to the Tamar Valley Community Catchment) require further consideration to establish where these communities fit best.

5. Appendix

Analysis of existing Councils within (or partially within) community catchment⁸

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
Break O'Day	6770	52.5	1133.26	3.69	10	74%	-3%	21.5	106%
Dorset	6829	65.25	1111.62	7.79	14	73%	5%	23.9	152%
Flinders	922	19.54	1382.18	9.64	18	48%	-18%	5.1	101%
George Town	7033	40	1152.95	3.47	5	83%	0%	22.3	71%

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
Break O'Day	117%	72%	11,813	-1%	6,256	226	52,651,933	9
Dorset	91%	78%	9,432	19%	4,363	109	19,496,922	9
Flinders	92%	79%	9,154	84%	446	36	2,820,004	7
George Town	91%	84%	8,129	13%	4,346	113	40,326,245	9

⁸ Definitions of data items can be found *Existing Council Data Definitions Supporting Paper*.