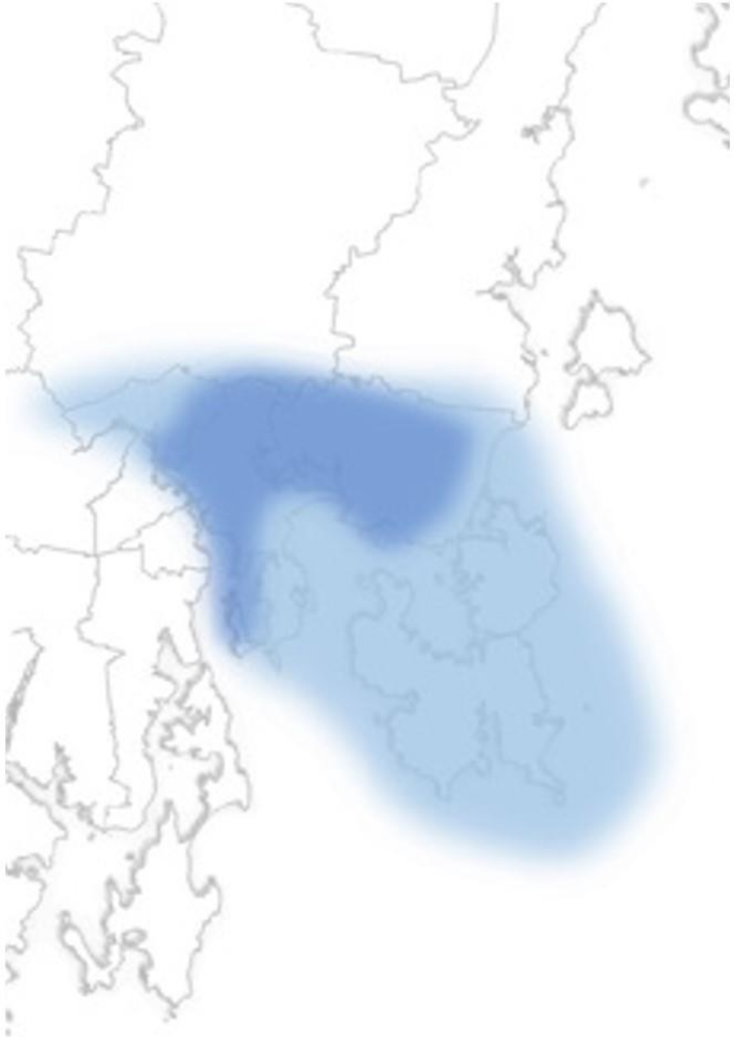
Eastern Shore Community Catchment Information Pack

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.

Contents

1. Introduction

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

This information pack provides detailed insights into the Eastern 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 presented 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 a single council encompassing Clarence, the urban areas from Sorell to Primrose Sands, plus Forcett and Richmond

Scenario 2 – Establishing a single council combining the existing Clarence and Brighton LGAs

Scenario 3 – Establishing a single council area encompassing the current council areas of Clarence, Sorell and Tasman

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

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

Structural Reform Principles

1. A Focus on Future Community Needs
2. Retaining Jobs and Service Delivery Locally
3. Preserving and Enhancing Local Voice
4. Smoothing Financial Impacts for Communities
5. Dedicated and Appropriate Resourcing for the Transition

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

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

What do we want councils and communities to tell us?

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

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

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

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

These papers focus on:

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

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

At this stage, the Board wants to encourage creative thinking about how we build new council structures that are not just more capable, but which can deliver more equitable outcomes and access to services and technology for all Tasmanians, particularly those living 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.

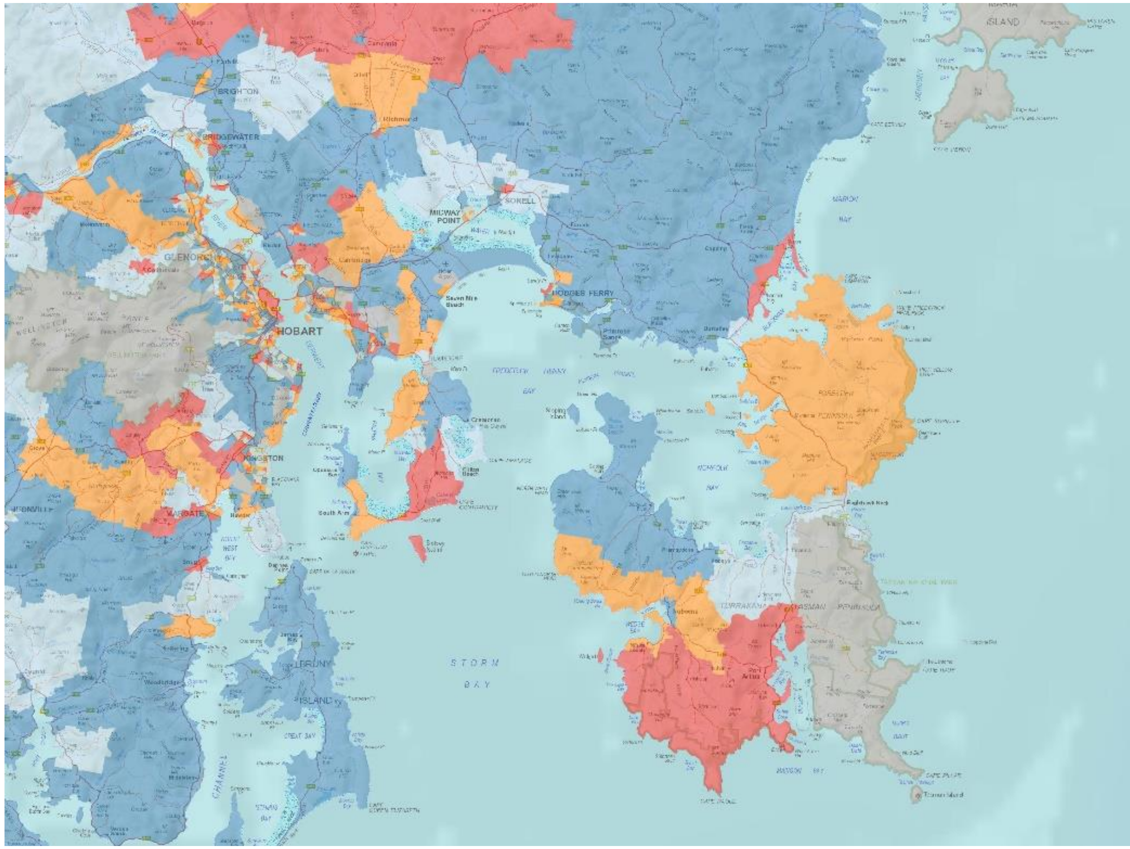
Please note: The Supporting Papers also include fact sheets which explain key data sets, data definitions and associated methodology.

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 Eastern 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 Eastern Shore 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)

This Community Catchment includes the eastern side of the Derwent Estuary, South Arm across to Sorell and the Southern Beaches to the East Coast and Tasman Peninsula. The northern area encompasses Brighton, Richmond and Nugent.

This Catchment includes many of Tasmania's fastest-growing communities in Hobart's eastern suburbs and the expanding eastern growth corridor from Midway Point and Sorell north through the Coal River Valley to Richmond and its surrounds. It has strong commuting links to central Hobart, primarily via the Tasman Bridge, but also the Bowen and Bridgewater Bridges. The Eastern Shore retains a distinctive identity shaped by its history. The strong economic and employment links between Clarence and the Southern Beaches, Midway Point and Sorell, Tasman Peninsula, and East Coast mean that the Eastern Shore – Rosny, Bellerive, and Cambridge in particular – has become an important economic and service centre in its own right.

A critical issue currently facing the Eastern Shore is the rapid pace of growth (one of the highest in the country) occurring across the region, especially Sorell, Midway Point and areas of Clarence. As in other areas around the central Hobart area, strong economic growth presents both opportunities and challenges, notably in housing and transport. Providing adequate built and social infrastructure will require concerted action from local government in close collaboration with communities, industry, and other spheres of government. Adapting to climate change also represents a significant and growing challenge, with many areas in the Catchment especially susceptible to coastal erosion, inundation, and associated problems.

Not only has the region seen strong economic and employment growth in recent years, but Clarence and Sorell in particular have also seen significant economic restructuring, with employment in retail trade and services industries displacing more traditional manufacturing jobs. These regional variations highlight the need for local government to continue to engage with and support regional economic development strategies and initiatives such as Regional Jobs Hubs.

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

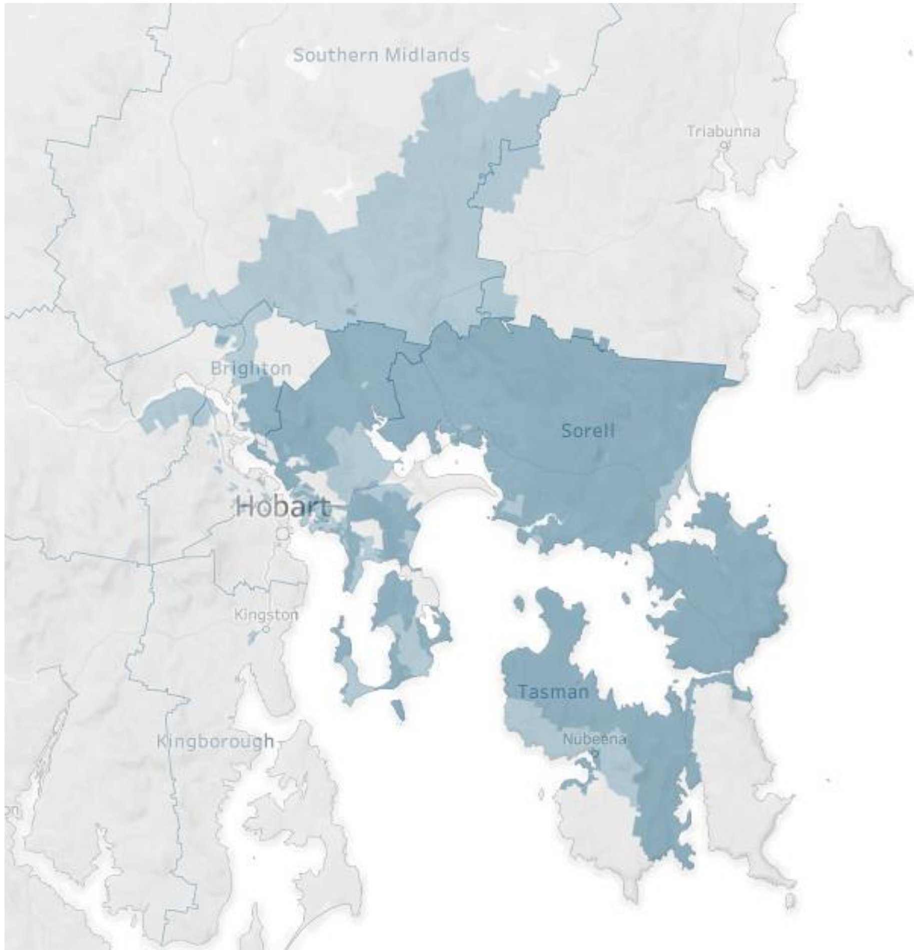
- coordinate the residential and commercial development that is occurring in this catchment
- advocate effectively to the State and Commonwealth Governments to play their part in providing infrastructure and to partner on economic development and job opportunities
- provide fair and equitable local government services and representation to all residents
- partner with the State and Commonwealth Governments to provide residents across the catchment with access to the full range of government services.

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.

Another 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 in that area – the local workforce ratio. With the exception of the Tasman Peninsula and the eastern coastal areas of the existing Sorell LGA, this area is notable for its strong commuting links to Hobart. For example, the SA2-level data presented in the table on the following page highlights how workers who live on the Eastern Shore are much more likely to work on the Western Shore (13,872) than locally (8,238). However, as we have noted, the Eastern Shore remains an important employment centre in its own right and while the majority of workers who commute from the outer eastern suburbs and townships of Greater Hobart work in the city, approximately one third work on the Eastern Shore.

Commuting connections in the region

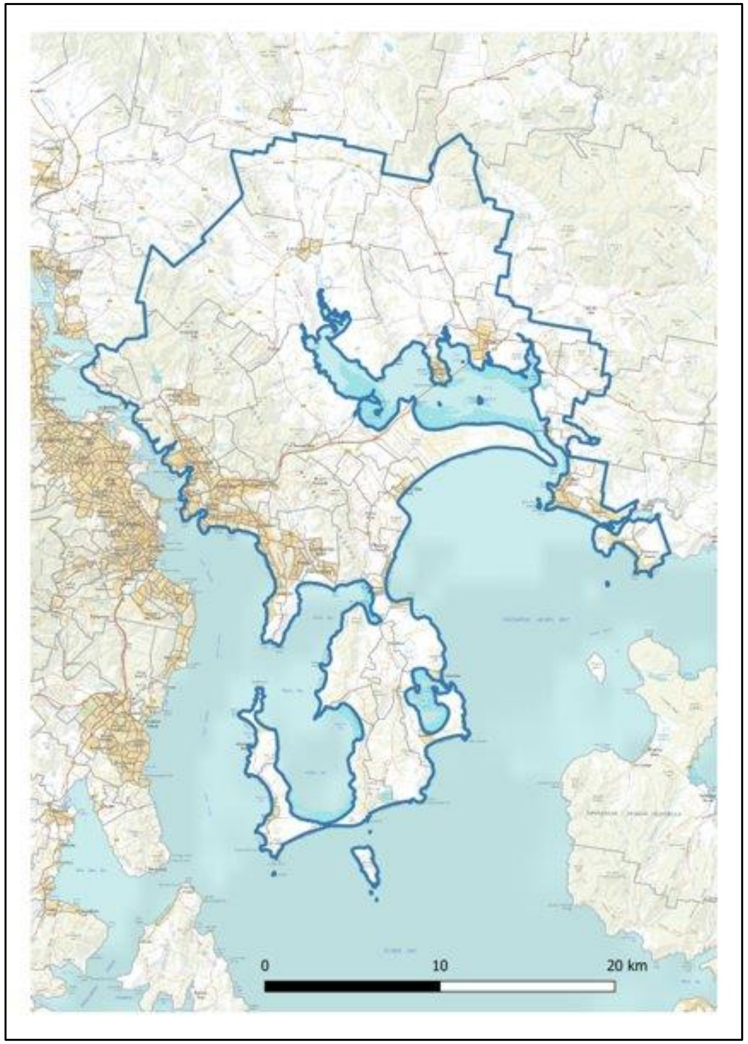


Key

Unshaded *– SA1s where fewer than 30 workers (less than 13 %) work within the Eastern Shore Community Catchment*
Light blue *– between 30 and 100 (13%-40%) workers work within the Eastern Shore Community Catchment*
Dark blue *– more than 100 (40%) workers work within the Eastern Shore Community Catchment*

Place of usual residence (SA2)	Place of work (SA2): Hobart Eastern Shore	Hobart Western Shore	Bridgewater - Gagebrook	Brighton - Pontville	Old Beach - Otago	South Arm	New Norfolk	Dodges Ferry - Lewisham	Sorell - Richmond	Forestier - Tasman	Triabunna - Bicheno	Derwent Valley	Southern Midlands
Hobart Eastern Shore	8238	13872	264	70	17	54	118	57	421	21	22	15	51
Hobart Western Shore	4417	42433	699	207	63	28	404	70	372	27	59	78	98
Bridgewater - Gagebrook	283	1297	431	45	25	3	69	6	32	0	0	9	20
Brighton - Pontville	382	1878	266	411	26	8	74	7	63	3	0	10	50
Old Beach - Otago	380	1614	99	41	197	5	47	0	22	0	4	3	9
South Arm	637	1113	11	5	4	308	3	9	32	8	5	0	0
New Norfolk	226	1258	123	32	8	0	878	4	17	0	0	66	8
Dodges Ferry - Lewisham	662	1395	28	10	3	12	6	735	514	79	12	0	19
Sorell - Richmond	961	1858	52	24	3	8	15	63	1241	28	23	0	28
Forestier - Tasman	47	104	0	8	0	0	5	19	17	628	0	0	6
Triabunna - Bicheno	39	115	8	4	0	0	5	8	19	0	1568	0	8
Derwent Valley	87	581	56	23	3	0	302	0	11	0	0	271	4
Southern Midlands	284	979	153	91	24	4	60	16	130	0	21	5	892
Local workforce ratio	45.7%	52.7%	18.6%	40.2%	51.7%	69%	41.8%	72.7%	41.9%	76%	83.9%	51.5%	71.2%

Eastern Shore: Scenario 1



Overview

Scenario 1 establishes one new council area for the Eastern Shore Community Catchment, combining the existing Clarence LGA with the urban portions of the Sorell LGA. The Eastern-most boundary encompasses Forcett and Primrose Sands.

Under this scenario, the council has been designed to reflect strong commuter links to central Hobart, while reflecting its distinct community of interest relative to the Western Shore Catchment.

There is potential to maintain customer service centres and works hubs in their existing locations.

2021 Population	% Growth 2011-21
75,580	20.4%

Rationale and evidence

The single council established under this scenario recognises a coherent community of interest and shared sense of identity, with strong commuter links to central Hobart. It is largely an urban or semi-urban community, but also includes the more rural parts of the existing Clarence LGA around Richmond.

Although large by current Tasmania LGA standards, with around 76,000 people, it is on par with other councils proposed under these scenarios and catchments, and the smallest of the three scenarios included in this *Information Pack*.

This scenario, by including the urban sections of Sorell Council, has implications for the South-East Catchment.

Alignment with the principles for successful structural reform

Focus on future community needs: The consolidated council established under this scenario would have greater resources and capabilities to respond to current and emerging community needs, such as planning, housing, transport infrastructure, and climate change mitigation.

Economic activity in this area is strong, which while creating opportunities also poses challenges, specifically in terms of regional planning, service provision, and infrastructure needs. Establishing a consolidated council of this scale should help address these challenges.

Under this scenario, 95% of residents would be within a 30-minute drive of the service and administration hubs of Rosny and Sorell, with their health, educational, and retail facilities. Not only does this proximity support access, but would ensure economic and rates base diversity.

Scenario 1 would support enhanced scope capabilities in areas such as regulatory services, environmental regulation, public health, building and plumbing, and strategic planning, particularly where key skills shortages currently create challenges and bottlenecks. This should mean better and faster access to quality advice for customers and more consistent regulation and compliance across the region. It would assist with streamlining and implementing initiatives such as the Southern Tasmania Regional Land Use Strategy and potentially broaden the scope of initiatives such as the Hobart City Deal and Greater Hobart Committee.

Retain local jobs and services: There is scope to retain council administrative and operations hubs, most notably in Rosny and Sorell, to maintain local employment and support local engagement and service delivery.

Establishing a single council to represent the Eastern Shore Community Catchment would deliver scale benefits including the ability to attract and retain specialist staff and provide 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. A larger Eastern Shore Council would also have the capacity to support and share services with smaller, neighbouring regional councils.

While a single council would facilitate greater sharing of road maintenance teams and equipment, several regional depots across the council area could be maintained. A larger regulatory services team would likewise provide greater capacity to manage workloads, allow for business continuity during periods of leave, and help to attract and retain specialist staff.

While the new larger 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 to communities.

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

Fair funding models: Applying existing rates and funding models to the new council area, the total rates revenue in 2021 dollars would be an estimated $57.8m. The area would have access to rates revenue from a mix of residential, commercial, and industrial lands. While the slightly different approaches to rating currently applied across the Catchment would require carefully designed transition arrangements, the fact that Sorell and Clarence have similar and relatively low residential rates per capita would simplify consolidation.

Appropriate resourcing for transition: Transition arrangements for this scenario would need to consider how services provided by the Southern Tasmanian Councils Authority and Southern Tasmania Regional Waste Authority, both to member councils and other councils across the broader region, would be undertaken under the new arrangements. Consideration in any transition would also have to be given to the fact that both Clarence and Sorell are part owners in the Southern Waste Solutions joint authority.

Both Sorell and Clarence Councils hold significant net financial assets. While these are broadly equivalent on a per capita basis the treatment of such assets would have to be carefully considered in any transition.

As in other Catchments, Geographic Information Systems (GIS) and asset management platforms and services vary across councils. While it would be cost-efficient to move to single platform, the differences between existing systems are likely to involve 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
Overview	Demographics	Population	75,580
		Median age	42.1
		SEIFA (decile) [1]	7
	Housing	Total dwellings	29,358
		No. of single person households	7,812 (26.6)
		% dwellings vacant	7.1
		Indicator	
1. Place and Representation	Alignment with local communities of interest	% area workforce residing locally	60.4%
	Established administrative, commercial and service hub/s	% of population within 30 mins of administrative hub	95%

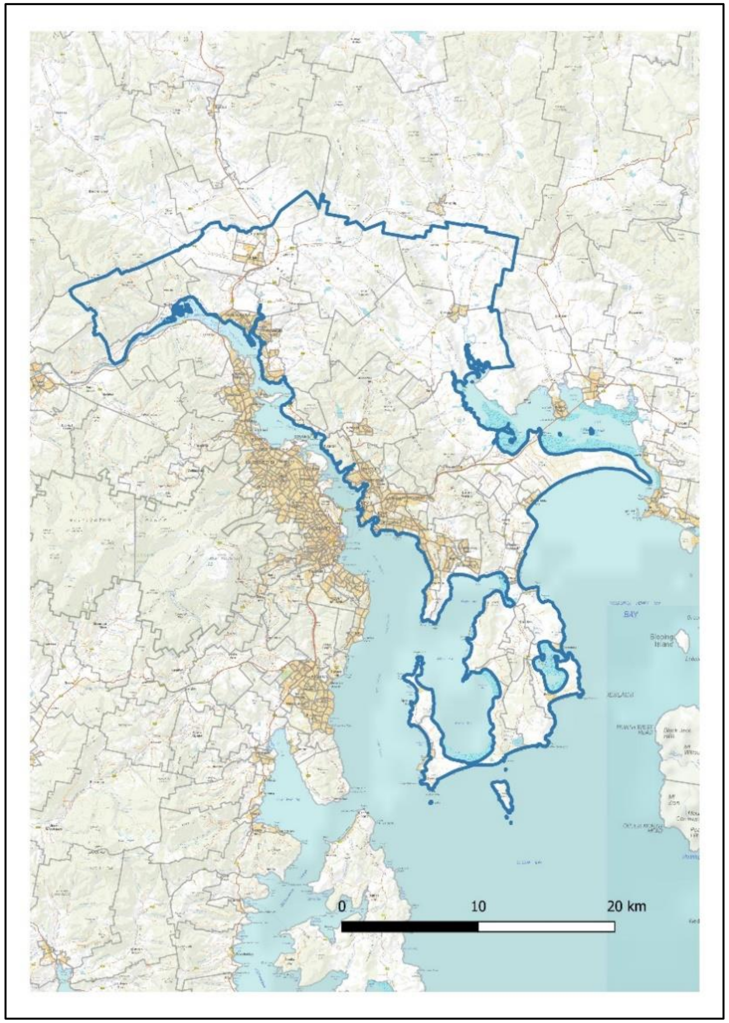
[1] SEIFA', or 'Socio-Economic Indexes for Areas', is an index developed by the Australian Bureau of Statistics which ranks areas in Australia according to relative socio-economic advantage or disadvantage.

Category		Measure	Council
	Urbanisation	% of population in urban areas of population 10,000 or greater	70%
	Mobility/Migration	% of population living at a different address 5 years ago	33.5
2. Future Needs and Priorities	Population growth	Population change *2011-21*	12,821 (20.4%)
	Housing supply and infrastructure demand	Change in total dwelling numbers (2011-21)	5,034
		% Change in total dwelling numbers (2011-21)	20.7%
	Employment growth	Change in labour force 2011-21 by place of residence	24%
	Older/ageing communities	% Population over 65	17%
	Younger communities	% Population under 15	19%
3. Financial Sustainability	Value of rateable land	Value of rateable land - residential	$21,358,900,000
		Value of rateable land - primary production	$392,600,000
		Value of rateable land - industrial	$492,300,000
		Value of rateable land - commercial	$1,759,600,000
		Value of rateable land - vacant	$1,046,600,000
		Value of rateable land - other	$1,751,300,000
		Value of rateable land - total	$26,801,300,000
		Estimated rate revenue - residential	$45,000,000
		Estimated rate revenue - commercial	$6,100,000
		Estimated rate revenue - industrial	$2,300,000

Category		Measure	Council
	Estimation of theoretical rate revenue applying current rates[2]	Estimated rate revenue - primary production	$700,000
		Estimated rate revenue - vacant	$2,400,000
		Estimated rate revenue - other	$1,200,000
		Estimated rate revenue - total	$57,800,000
		Estimated rate revenue as a % of area total rateable property value	0.22%
	Road Infrastructure	Km of council roads - unsealed	67.6
		Km of council roads - sealed	609.1
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. • 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 Clarence and urban Sorell into a larger Eastern Shore Council would likely lead to considerable economies of scope and scale 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 would be the implications for rural Sorell if it were to be included in a smaller south-eastern council.		

[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.

Eastern Shore: Scenario 2



Overview

Scenario 2 also establishes a single council area for the Eastern Shore Catchment, this time combining Clarence and Brighton LGAs.

In aligning these areas, it recognises the geographical connections along the eastern side of the Derwent, the Meehan Ranges, and the southern Coal River Valley.

With implications for the Central and Highlands and Western Shore Catchments, Brighton's commuter, workforce, and community orientation requires further consideration.

There is potential to maintain existing customer service, administration, and works hubs under this model.

2021 Population	% Growth 2011-21
79,862	19.8%

Rationale and evidence

Under this scenario, the LGAs of Clarence and Brighton are combined to form a council of approximately 80,000 residents.

This model recognises a shared geography along the eastern shore of the River Derwent, through Tea Tree and the southern Coal River Valley. Transport links see some commuters travelling in both directions between the main population centres, although these connections are not as strong as they are with the Western Shore. Measures of employment and household income are significantly higher in Clarence relative to Brighton and there would be greater scope to increase investment in community and economic development programs in the combined program. Despite these differences, there are similar opportunities and challenges across the catchment, particularly around housing, transport, and providing services to a rapidly growing, slightly younger population.

Alignment with the principles for successful structural reform

Focus on future community needs: The council established under this scenario would be better resourced and have increased capabilities to respond to current and emerging needs, such as planning, housing, improving transport networks, community development and climate change mitigation. It could potentially further bolster connections if more direct public transport links were established between Rosny and Brighton.

Economic activity across most of this area is strong, which while creating opportunities also poses challenges, particularly in terms of housing, infrastructure, and service delivery needs. With small and sometimes relatively isolated pockets of disadvantage, ensuring all segments of the Eastern Shore Community benefit from economic growth is a specific challenge.

Under this scenario, 95% of residents would be within a 30-minute drive of the service and administration hubs of Rosny and Brighton (noting the current Brighton Council offices are located in Old Beach).

Scenario 2 would support enhanced scope capabilities in areas such as regulatory services, including environmental and public health and building and plumbing, and strategic planning, particularly where there are key skills shortages. This should mean better access to quality advice for customers and more consistent regulation and compliance across the region. As with Scenario 1, it would assist with streamlining and implementing initiatives such as the Southern Tasmania Regional Land Use Strategy and, by potentially including the Brighton community, broaden the scope of initiatives such as the Hobart City Deal and Greater Hobart Committee.

Retain local jobs and services: There is scope to retain council administrative and operations hubs, in Bridgewater, Old Beach, Rosny and Mornington to maintain local employment and to support local engagement and service delivery.

Establishing a single council to represent the Eastern Shore region would deliver scale benefits including the ability to attract and retain specialist staff and provide great job security and career pathways for employees, invest in productivity-enhancing equipment and improve and standardise 'back-office' systems.

While a single council would facilitate greater sharing of road maintenance teams and equipment, several depots across the council area could also be maintained. A larger regulatory services team would likewise provide greater capacity to manage workloads, allow for business continuity during periods of leave, and help to attract and retain specialist staff.

While the new larger 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.

As with all of the scenarios in the *Information Pack*, a larger Eastern Shore council would have the capacity to support and share services with smaller regional neighbours.

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, including those which are more disadvantaged, 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. This would be particularly important given the limited apparent connection between the Brighton and Rosny-Bellerive part of the new council. Operations hubs could also be used for a program of scheduled regional council meetings in different parts of the council area.

Fair funding models: Applying existing rates and funding models to the new council areas their total rates revenue in 2021 dollars would be an estimated $55.4m. The area would have access to rates revenue from a mix of residential, commercial, and industrial lands. Special consideration would have to be given to Brighton's low per capita residential rates and unique two-tier rate structure as a part of transition arrangements.

Appropriate resourcing for transition: Transition arrangements for this scenario would need to consider how services provided by the Southern Tasmanian Councils Authority and Southern Tasmania Regional Waste Authority, both to member councils and other councils across the broader region, would be undertaken under the new arrangements. Other existing shared services agreements would also have to be considered.

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

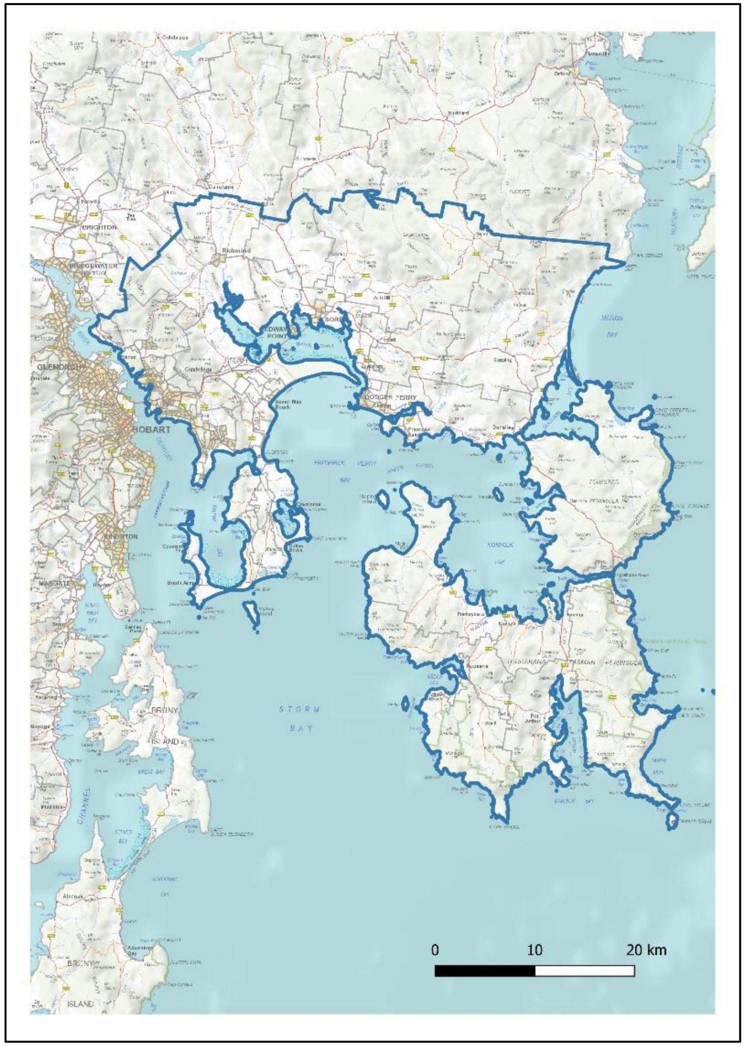
Category		Measure	Council
Overview	Demographics	Population	79,862
		Median age	40.6
		SEIFA (decile)[3]	6
	Housing	Total dwellings	30,442
		No. of single person households	7,756 (25.5%)
		% dwellings vacant	5.6
1. Place and Representation	Alignment with local communities of interest	% area workforce residing locally	55.7%

[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
	Established administrative, commercial and service hub/s	% of population within 30 mins of administrative hub	95%
	Urbanisation	% of population in urban areas of population 10,000 or greater	86%
	Mobility/Migration	% of population living at a different address 5 years ago	32.6
2. Future Needs and Priorities	Population growth	Population change 2011-21	13,206 (19.8%)
	Housing supply and infrastructure demand	Change in total dwelling numbers (2011-21)	5283
		% Change in total dwelling numbers (2011-21)	21%
	Employment growth	Change in labour force 2011-21 by place of residence	25%
	Older/ageing communities	% Population over 65	15%
	Younger communities	% Population under 15	20%
3. Financial Sustainability	Value of rateable land	Value of rateable land - residential	$21,095,100,000
		Value of rateable land - primary production	$332,600,000
		Value of rateable land - industrial	$633,500,000
		Value of rateable land - commercial	$1,737,800,000
		Value of rateable land - vacant	$923,200,000
		Value of rateable land - other	$1,654,400,000
		Value of rateable land - total	$26,376,600,000

<table>
<tr><th colspan="2">Category</th><th>Measure</th><th>Council</th></tr>
<tr><td rowspan="10"></td><td rowspan="8">Estimation of theoretical rate revenue applying current rates[4]</td><td>Estimated rate revenue - residential</td><td>$43,300,000</td></tr>
<tr><td>Estimated rate revenue - commercial</td><td>$5,500,000</td></tr>
<tr><td>Estimated rate revenue - industrial</td><td>$2,800, 000</td></tr>
<tr><td>Estimated rate revenue - primary production</td><td>$600,000</td></tr>
<tr><td>Estimated rate revenue - vacant</td><td>$2,000,000</td></tr>
<tr><td>Estimated rate revenue - other</td><td>$1,300,000</td></tr>
<tr><td>Estimated rate revenue - total</td><td>$55,400,000</td></tr>
<tr><td>Estimated rate revenue as a % of area total rateable property value</td><td>0.21%</td></tr>
<tr><td rowspan="2">Road Infrastructure</td><td>Km of council roads - unsealed</td><td>65.8</td></tr>
<tr><td>Km of council roads - sealed</td><td>632.6</td></tr>
<tr><td>4. Operational Sustainability</td><td colspan="3">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.
This catchment has experienced strong population and economic growth over the past ten years. Further population growth, construction, and rising land values would likely drive strong future growth in this council’s revenue.
Incorporating Clarence and Brighton into a larger Eastern Shore Council would likely lead to considerable economies of scope and scale and assist with both the sustainability and coherence of critical strategic, infrastructure, and land-use planning.</td></tr>
</table>

[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.



Eastern Shore: Scenario 3

Overview

Scenario 3, like the other scenarios in this *Information Pack*, creates one new council area for the Eastern Shore Community Catchment, consisting of the existing Clarence, Sorell and Tasman LGAs.

Under this scenario, the entire community catchment becomes one LGA, recognising interconnections (for example, through work and service delivery) between communities connected by the Tasman and Arthur Highways.

This grouping has implications for the South-East Community Catchment which will need to be considered.

In order to maintain local accessibility to services and representation, as well as local employment, this scenario could maintain several administration and service centres as well as works hubs.

2021 Population	% Growth 2011-21
80,254	21.2%

Rationale and evidence

Under this scenario, the LGAs of Clarence, Sorell and Tasman are merged to form a council of approximately 80,000 residents.

This model recognises a shared geography along the south-east coastline, encompassing the Forestier and Tasman Peninsulas, north along the east coast to Hellfire Bluff and inland west to connect through to the lower Coal River Valley.

Although many residents in these areas (particularly western sections) have strong commuter ties to central Hobart, economic and employment links through the region mean that Sorell and parts of Clarence, such as Rosny, have become important commercial and service centres in their own right. Also, Sorell is itself an important regional hub for surrounding rural communities.

The challenge for the single council model will be ensuring local representation, employment and service delivery across the entire area, especially the rural Tasman Peninsula, which voted against amalgamating with Sorell in 2019 in part due to concerns about losing local representation. However, the consolidated council would have the resources (hypothetical rate revenue of $64.3m) to invest in a range of services including sophisticated community engagement programs and maintaining administrative and service delivery hubs across the community.

Alignment with the principles for successful structural reform

Focus on future community needs: The council established under this scenario would have better resources and capabilities to respond to emerging community needs, such as strategic planning, housing and infrastructure demands, and climate change mitigation and would ensure both the sustainability and cost effectiveness of local government rural communities such as Tasman.

Scenario 3 would support enhanced scope capabilities in areas such as regulatory services, environment and public health, building and plumbing, and strategic planning, particularly where there are key skills shortages. This should mean better access to quality advice for customers and more consistent regulation and compliance across the region. It would assist with streamlining and implementing initiatives such as the Southern Tasmania Regional Land Use Strategy. The extent to which the scope of strategic initiatives focused on Greater Hobart should be expanded to include all or most of the Catchment would have to be carefully considered.

In terms of accessing services, if existing council offices across the Community Catchment were maintained as a part of a network model, then 94% of residents would be within a 30-minute drive of service and administrative hubs in Rosny, Sorell, and Nubeena. Not only does this proximity support access but would ensure economic and rates base diversity.

The trade-off which would have to be considered is whether a single council model is the most effective and sustainable model for providing local representation and services across the region. Although, as we have noted, this model would provide rural communities with access to the services of a larger council with greater capability.

Retain local jobs and services: Establishing a single council to represent the Eastern Shore region would deliver scale benefits including the ability to attract and retain specialist staff and provide job security and career pathways for employees, investment in productivity-enhancing equipment and improvement and standardisation of '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, several regional depots across the council area could be maintained. A larger regulatory services team would likewise provide greater capacity to manage workloads, allow for business continuity during periods of leave, and help to attract and retain specialist staff.

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

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 across the diverse communities within this Catchment. A single council would, however, have the capacity to invest in new and more systematic approaches to community engagement to ensure all communities within the larger council area are heard and represented, particularly those in the rural hinterland areas.

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

Fair funding models: Applying existing rates and funding models to the new council area, its total rates revenue in 2021 dollars would be an estimated $64.3m. The council would have access to a significant rate base drawn from a mix of residential, commercial, and industrial land. In contrast to other scenarios proposed in this Information Pack, there are significant variations in residential rates across this Catchment which would have to be carefully considered as part of transition arrangements. Specifically, according to CDC data, owing to its lack of scale and the large proportion of unoccupied 'shacks', Tasman LGA has among the highest residential rates per capita in Tasmania – more than twice the rates levied in Sorell. Despite the transition challenges, a larger council would be well placed to provide more cost effective services to residents of the Tasman Peninsula.

Appropriate resourcing for transition: Transition arrangements for this scenario would need to consider how services provided by the Southern Tasmanian Councils Authority and Southern Tasmania Regional Waste Authority, both to member councils and other councils across the broader region, would be undertaken under the new arrangements. Clarence, Sorell, and Tasman Councils are part owners (along with Kingborough Council) in the Southern Waste Solutions joint authority, provisions for which would need to be made.

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	80,254
		Median age	42.7
		SEIFA (decile)[5]	7
	Housing	Total dwellings	31,251
		No. of single person households	8,416 (26.0%)
		% dwellings vacant	9.4
		Indicator	
1. Place and Representation	Alignment with local communities of interest	% local workforce	64.3%

[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	94%
	Urbanisation	% of population in urban areas of population 10,000 or greater	66%
	Mobility/Migration	% of population living at a different address 5 years ago	32.9
2. Future Needs and Priorities	Population growth	Population change *2011-21*	14,029 (21.2%)
	Housing supply and infrastructure demand	Change in total dwelling numbers (2011-21)	5,564
		% Change in total dwelling numbers (2011-21)	21.7%
	Employment growth	Change in labour force 2011-21 by place of residence	24%
	Older/ageing communities	% Population over 65	17%
	Younger communities	% Population under 15	19%
3. Financial Sustainability	Value of rateable land	Value of rateable land - residential	$22,947,000,000
		Value of rateable land - primary production	$733,200,000
		Value of rateable land - industrial	$497,000,000
		Value of rateable land - commercial	$1,835,900,000
		Value of rateable land - vacant	$1,342,500,000
		Value of rateable land - other	$2,090,600,000

Category		Measure	Council
		Value of rateable land - total	$29,446,300,000
	Estimation of theoretical rate revenue applying current rates[6]	Estimated rate revenue - residential	$49,200,000
		Estimated rate revenue - commercial	$6,400,000
		Estimated rate revenue - industrial	$2,300,000
		Estimated rate revenue - primary production	$1,500,000
		Estimated rate revenue - vacant	$3,600,000
		Estimated rate revenue - other	$1,200,000
		Estimated rate revenue - total	$64,300,000
		Estimated rate revenue as a % of area total rateable property value	0.22%
	Road Infrastructure	Km of council roads - unsealed	299.0
		Km of council roads - sealed	741.7

[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.

<table>
<tr><th>Category</th><th>Measure</th><th>Council</th></tr>
<tr><td>4. Operational Sustainability</td><td colspan="2">• 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.

• The majority of 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 Clarence and Sorell and Tasman into a larger Eastern Shore Council would likely lead to considerable economies of scope and scale 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 would be the implications for the South East Catchment , given the inclusion of Sorell and Tasman LGAs here.</td></tr>
</table>

3. Comparison of Scenarios

Criteria and Indicator	**Metric**		
	Scenario 1	Scenario 2	Scenario 3
Place and Representation			
Alignment with local communities of interest ***% area workforce residing locally***	60.4%	55.7%	64.3%
Established administrative, commercial and service hub/s ***% of population within 40km of administrative hub***	95%	95%	94%
Urbanisation ***% of population in urban settlements***	70%	86%	66%
Mobility/Migration ***% of population who have moved in last 5 years***	33.5%	32.6%	32.9%
Future Needs and Priorities (Note – population projections are not available at SA1 level)			
Population growth 2011-21 ***% growth and absolute number***	12,821 (20.4%)	13,206 (19.8%)	14,029 (21.2%)
Housing supply and infrastructure demand ***Ten-year change (2011-21) in dwelling numbers (absolute and per 1000 pop)***	5,034 (66.6 per 1000)	5,283 (66.1 per 1000)	5,564 (69.4 per 1000)
Employment growth ***% growth in employment since 2011***	24%	25%	24%
Older/ ageing communities population aged over 65 years (% of total)	17%	15%	17%

Criteria and Indicator	Metric		
	Scenario 1	Scenario 2	Scenario 3
Younger communities population aged under 15 years (% of total)	19%	20%	19%
Financial Sustainability			
Value of rateable land ***Total $ value within region***	$26,801,308,100	$26,376,598,700	$29,446,268,500
Estimated total rate revenue[7]	$57,819,000	$55,444,000	$64,318,000
Ratio of rates to land value. Report %	0.22%	0.21%	0.22%
Road infrastructure *Length and type of councils roads in new region* *Km by type*			
Km of council roads - unsealed	67.6	65.8	299.0
Km of council roads - sealed	609.1	632.6	741.7
Additional Key Metrics			
Population	75,580	79,862	80,254
Median Age	42.1	40.6	42.7
Median household income (or SIEFA)	7	6	7

[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.

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 Eastern Shore Community Catchment may have implications for neighbouring Community Catchments and councils therein.

Specific observations and implications include:

- Coastlines (along the River Derwent and Fredrick Henry Bay) provide a clear geographical boundary rationale; to the north and east, boundaries are less obvious.
- Including urban Sorell would separate it from the remainder of the existing Sorell LGA, and potentially from the wider South-East Catchment. Sorell has strong commuter links to Clarence and Hobart but is also an important service hub for the surrounding rural areas to the east.
- Including Brighton has implications for the Central and Midlands Catchment or the Western Shore Catchment. Further investigation is required to establish the orientation and identity of this area.
- Merging the existing Tasman, Sorell, and Clarence LGAs (as per Scenario 3) has implications for the South-East Catchment, particularly as to where this leaves the existing Glamorgan-Spring Bay LGA.

Appendix

Analysis of existing Councils within (or partially within) 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
Brighton	18995	68.7	1160.47	3.25	3	87%	0%	0.0	91%
Clarence	61531	274	1473.75	6.54	13	97%	6%	-	80%
Sorell	16734	70.4	1303.73	3.02	6	88%	4%	18.8	88%
Tasman	2593	19	1069.5	10.42	13	95%	10%	39.3	118%

[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
Brighton	92%	87%	5,172	32%	720	293	69,389,023	9
Clarence	94%	67%	98,471	83%	19,980	1048	256,382,462	12
Sorell	92%	81%	15,412	25%	2,755	466	165,353,100	9
Tasman	98%	94%	8,436	89%	25	114	18,710,490	7

Summary of Updates

Version	Date	Change
V1.1	30/05/2023	Updated description of Scenario 2 on Page 4 to reflect the LGAs included in the Scenario