

This appendix summarises the outcomes of four workshops with elected councillors and local government general managers from the region. The panel was impressed with the positive approach of the participants to these sessions, and appreciated the many valuable ideas that they generated.

### Option 1: Status quo and resource sharing/shared services

Councillor feedback	Panel response
The current system of councils is not broken so why change it?	This is not the view of the community as expressed in the community survey.
Resource sharing could help urban areas cross subsidise rural areas.	Agreed but discipline and long term contractual agreements would be required. A legislated requirement would be even stronger.
More likely to have independent councillors under this option.	This is not necessarily the case.
The success of the model would depend on its rigour and implementation	Agreed. Historically this has not worked anywhere in Australia, when dependent purely on goodwill. It has been too ad hoc.
It could lead to more specialist skills in councils and better use of plant and equipment.	Agreed. However, historically it has not worked.
It has not been done well in the Southern Tasmanian councils to date. It has been inconsistent and not particularly long lasting.	Agreed. Historically this has not worked any where in Australia, when dependent purely on goodwill. It has been too ad hoc.
The commercial model adopted by one council is not regarded by some councils as true resource sharing and is resented by some other councils.	Noted.
Wide scale resource sharing would inevitably lead to another layer of bureaucracy or an unaccountable body.	Agreed. The development of unelected bodies to be avoided.
Savings when resource sharing is done on a voluntary basis are minimal	Agreed.

### Option 2: A single Southern Tasmanian Regional Council

Councillor feedback	Panel response
As the seventh largest council in Australia such a council would have considerable clout and status not just in Tasmania, but on the national stage.	Agreed. There is a potential for dysfunctional conflict with the State Government.
Under this option all councils would share in the pain of change.	
This council would have specialist employees and be able to attract top people.	Agreed.
There would be considerable savings achieved through a common set of regulations, policies, service standards, and centralised procurement.	Partly agreed. Separate urban and rural standards of service delivery may be justified.
It would probably lead to a review of State and local government relationships.	The outcome of such a review is hard to predict - it could lead to transfers of functions between State and local government, or even abolition of local government.
It could lead to less parochialism.	Noted.
Party politics could take over and there would be likelihood of fewer independent candidates for elected office.	Noted as a potential outcome.
The diversity of communities, that is, urban and rural, likely to create considerable tensions.	Agreed. The panel prefers mergers of like with like communities.
The distances councillors would have to travel would make representation difficult. It would create diseconomies of scale.	Agreed. Although modern telecommunication helps, it does not completely deal with the issues of distance.
This council would lead to a loss of local employment.	Agreed - this is a potential outcome.
The power would shift to centralised bureaucrats.	Agreed - this is a potential outcome.
Less opportunity to become a councillor.	Noted.

### Option 3: Greater Hobart Council

Councillor feedback	Panel response
There would be a council for the Greater metropolitan Hobart area which would be able to speak with one voice for Hobart. This council would be able to plan strategically for Greater Hobart, plan and fund major projects, harness resources outside of council as well as from within the community and businesses to meet these objectives. A Greater Hobart Council (GHC) would unify the current councils in the Greater Hobart area.	Agreed.
A GHC would lead to improved strategic planning in transport, infrastructure and land use.	Agreed.
A GHC would be able to achieve cost savings through procurement, improved asset management, common policies, programs and administration.	Agreed.
A GHC would lead to improved strategic planning in transport, infrastructure and land use. GHC would be able to attract the cream of local government CEOs, specialist staff and senior managers.	Agreed.
A GHC would dampen the influence of major political parties.	Unsure of this as an outcome. It would certainly lessen the influence of partisan, small vocal lobby groups in elections.
The creation of a GHC could result in more funds for metro Hobart, ie through Federal grants, but not necessarily at the expense of rural areas. That is, rural councils could piggy back off GHC contracts, and Financial Assistance Grants could be released to support the rural councils.	This needs greater investigation.
A GHC is better than the current arrangements because it would counter the dominance of the current Hobart City Council.	Noted.
The urban boundary in the Southern Tasmanian Regional Strategy Plan should be its boundary.	Agreed.
A better option than the single regional council because it affects less councils and is less disruptive.	Agreed.
A GHC would lead to political parties standing endorsed candidates in elections.	The national and international experience is that even where this happens, the successful mayor and councillors place the city's interests before the party political ones otherwise they lose office very quickly.
This council would have a large bureaucracy.	This tendency would need to be managed. The other tendency to a professional, and very competent mayor and councillors would perhaps be a check and balance to this trend.
This option disadvantages some rural municipalities that currently benefit from having an urban component.	It has also been argued that those rural areas get overlooked in these municipalities. This trend would have to be managed through some fiscal equalising measures.
The size of a GHC would mean that the rural councils would not have much say.	If the rural councils combine politically, then they can have a say. There also needs to be a strategy of getting urban and rural economic links to be better articulated and benefit derived from them.
This option does not change the sustainability of rural councils.	It does if benefits such as a piggy backing of contracts and fiscal equalising measures are achieved.

#### Option 4: Separate Eastern and Western Shore Councils and rural council mergers

Councillor feedback	Panel response
This option potentially provides more economies of scale than the current model due to rural mergers.	Efficiencies are more likely to be made in urban than rural areas.
Is a problematic model because it pulls together rural areas but splits the urban area.	Agreed.
Adds lobbying power for the urban area because there are two councils.	Disagree. A council that is able to speak for the whole metropolitan area will have more lobbying power.
This model reduces the costs of governance because of the overall reduction in the number of councils.	Agreed.
This model would reinforce any existing east-west divide in metropolitan Hobart. The size difference between eastern and western shores would be a problem.	Agreed.
The physical barrier of water is a common thing in Tasmania and is not as much a divider as a connector. It is an asset. The Derwent catchment should be dealt with in an integrated way.	Agreed.
There is a community around the river more than in a linear strip around the river.	Agreed.
There are close connections between Hobart and Clarence - living, shopping, recreation and work.	Agreed.
Planning issues may be a problem between Eastern and Western Shore Councils.	Agreed.
Mergers of rural councils do not necessarily make them more viable or financially sustainable. For instance in one case it would cover 3% of Tasmania's population but 20% of its land mass.	Agreed.

## **PART ONE: THE REGION AND ITS COUNCILS**

### ***STRENGTHS***

- The region has superior natural scenic assets - Hobart has the dramatic backdrop of Mount Wellington and borders the beautiful Derwent river. The Channel, Huon Valley, East Coast and Tasman feature rolling hills and beautiful landscapes. Other parts of the region have dramatic landscapes, wilderness and lakes plateau.
- The region has an abundance of renewable resources - trees, water and wind.
- The climate is mostly cool temperate. Clear skies, no pollution, except in Winter.
- The region hosts Tasmania's capital and as such it contains the Parliament, State Government head offices, the Hobart CBD, the University of Tasmania, premier Arts organisations such as the Tasmanian Symphony Orchestra, MONA. Major sporting facilities.
- The region is home to a major Airport, deep sea Port, major freight centre, the Australian Antarctic Division.
- Southern Tasmania has a thriving aquaculture industry. Niche agriculture businesses, arts, design and craft businesses are growing.
- Trout and game fishing as tourism opportunities. Networks of tracks and trails.
- Hobart hosts a number of major festivals and events, such as, the Taste of Tasmania, Sydney to Hobart Yacht Race,
- Hobart is vibrant.
- Evidence of innovation in boutique/niche businesses.
- The region contains some of the premier tourism highlights in Australia - Port Arthur, Salamanca Markets, Richmond, Freycinet Peninsula and the East Coast resorts, and the trails such as the Huon Valley Trail. A significant bank of heritage buildings. The Region includes World Heritage sites. Access to wilderness.
- The region provides great lifestyle opportunities. People are generally happy.
- Amount of coastline is a big bonus.
- There is a sense of connectedness within the region.
- The region has a positive population increase at this stage.
- Tasmania's smallness can mean the Federal Government and private sector can use it for pilot projects.
- The Councils
- The Southern Tasmanian Councils Authority
- Southern Waste Management

- Southern Tasmanian Councils are closest to the people and to community organisations. The Councils represent the community of interest.
- There is an ease of contacting Councillors under the status quo.
- Local knowledge means services can be delivered more efficiently and a timely response.
- Can't play the blame game with local government - it's too well known.
- Deal with Federal Government now directly - no need for State Government.
- In rural areas don't have to pay Councillors full time wages.
- Freedom of movement and no traffic congestion. Travel times to work are generally very short.
- Very low crime rate and is a safe community.
- Cheapest and most affordable housing stock in Australia.
- There is an ease of accessibility to the State's key decision makers.
- Variety of Councils.
- High level of engagement in some communities.

## ***WEAKNESSES***

- An aging population with an overall small population with very small populations in the rural part of the region.
- No depth, diversity or strength in the industrial base of Southern Tasmania.
- A lack of skilled professional services in the workforce. Many projects that require specialised consultancy skills have to go interstate to procure these skills.
- Lower than national average educational levels in the workforce.
- Lack of political influence with no marginal seats except Federally.
- The distance from the Mainland means a lack of competitive economic opportunities.
- Poor marketing of the region.
- Lack of economic base in rural towns. Lack of transport to rural areas. Poor access to health services in rural towns.
- Low income families. Generally lower income levels for equivalent jobs elsewhere.
- Southern Tasmania is over-governed with too much bureaucracy. What is the cost and value?
- Lack of penalties for law breakers.

- A community that has faced significant cost of living pressures
- No major Expo Centre in the region to market Tasmania and products from the region.
- Rural areas not having access to technology or where it exists not taking it up.
- Aging infrastructure.
- Some Councils appear to have inadequate finances to fully cover depreciation of their asset base. The further related concern is that rates have been kept low, because of community concern over cost of living pressures. This lowers the capacity of Councils to fully maintain their assets.
- Smaller Councils don't have facilities or the funds to build them.
- Changing Mayors and Deputies every 2 years and half the Councillors every 2 years - leadership suffers and lack of consistent long term planning and strategy.
- Lack of funds to local government from the Federal but particularly, State Government.
- The water reforms have cut the revenue base of many Councils.
- Many Councils are not business minded. A few are so business minded that they don't respond to community needs.
- Poor co-operation between Councils specifically between urban and rural in some cases.
- Disjointed decision making between Councils.
- Local Government has not got waste management right.
- Communication for Council role. i.e. LUPPIA.
- Confusion between levels of Government over their roles. State Govt sometimes refuses to pick up its responsibilities. Silos between State Govt departments. Lack of respect in State Govt for Local Govt. So the energy required to get good decisions is debilitating.
- Part-time elected members and low remuneration.
- Incapacity in local government to strategise on the big issues.
- Duplication of staff and resources between Councils.
- Complexity of local government and community ignorance.
- The local Govt Act has a range of deficiencies.

## **OPPORTUNITIES**

- There is an opportunity to capitalise on the natural assets and tourism product to grow Southern Tasmania's tourism industry.
- Wind Power industry. There is also an opportunity for water storage to support more power generation.
- Sufficient land available for future development. The abundant coastline.
- Ferries and the potential of the waterways.
- Opportunities will be greater if Councils work together eg tourism.
- Cruise ships.
- Waste management recycling and rationalisation.
- Sporting opportunities e.g. AFL- Huon
- Conference Market.
- Compete and beat Launceston.
- opportunities for irrigation of much of the region. Can supply food to Northern Hemisphere in their winter season. Variety of agriculture. Food production in ST can provide food security to the rest of the world. Irrigation e.g. Midlands Water Scheme.
- Boutique products and niche markets
- Can provide housing and jobs to refugees and build the population in the region. Affordable housing for purchase.
- Waste management and container deposit legislation
- Retirement opportunities.
- Gas.
- NBN.
- Analyse what Councils do well and build on them.
- Window of opportunity to capitalise on the unpopularity of Federal and State Govts.
- Local government in the Constitution. Plus a greater share of GST proceeds recognising service delivery best closest to people and communities.
- More younger elected members.
- Improve the accountability and performance of elected members. Develop an association for the professional development of elected members.
- Improve engagement with the community.

## **THREATS AND CHALLENGES**

- The decline in the forestry industry will lead to an overall decline in employment in rural areas. This will in turn make local Councils in these areas more vulnerable. Rates from some of the forestry businesses will be lost, such as in the Huon Valley where \$0.5M will be lost in rate revenue.
- Southern Tasmania faces a loss in local employment across the region.
- There will be competition for skilled resources.
- There's an element of South vs North and North West which could worsen and the South become the poor cousins.
- The aging population may mean less people available for workforce participation.
- It will also lessen the resilience of communities, particularly, rural communities. An older population will also be frailer which will mean adapting infrastructure.
- There is a threat to local Councils from this process where if local government does not take control and initiate change, local Councils will have the change made to them. Councils have lost water and sewerage function, what's next - waste? planning? roads? This could be death by a 1000 cuts unless local government acts to initiate its own changes.
- There is inadequate funding from all three levels of Government into the region. Funding from the Federal Government may be subject to changing priorities.
- The current or a future State Government is likely to impose changes on Local Government.
- There is a threat to local Councils identity and local representation.
- The merging option may threaten funds and assets in local communities.
- Closure of health and education services.
- Further Cost shifting from State Government to Councils.
- Future costs of asset replacement. Facilities paid for being lost.
- The risk of Local Councils over-reaching in the services they attempt to provide.
- Local Government needs to do more to help prevent chronic diseases.
- climate change and Peak oil (transport and food security).
- Land tax on people's second residence.
- Increasing community and customer expectations and demands from Tree and Sea Changers.
- Community apathy and change fatigue.

## COMMENTS ON THE INDEPENDENT PANEL'S OPTIONS PAPER



### OPTION ONE

### STATUS QUO AND RESOURCE SHARING/SHARED SERVICES

#### ADVANTAGES

- The current system of Councils in Southern Tasmania is not broken so why change it.
- There are some existing co-operative arrangements that could be built on.
- Resource sharing could help urban areas cross subsidise rural areas.
- Resource sharing means that mergers will not be required.
- More likely to have independent Councillors under this option.
- Resource sharing can lead to local knowledge and skills being maintained by keeping all the local Councils intact.
- If it could be done well, resource sharing could lead to significant cost savings to Councils.
- It could lead to building specialist skills in the Council.
- It could make better use of some plant and equipment. Often plant is not optimally used.
- Resource sharing could improve the Councils ability to respond to local emergencies.
- Community does not like change to status quo.
- This process may identify problems for us to fix and the Councils can fix them.
- At least with this option all Councils would be affected - we're all in it together.
- The success of the model would depend on its rigour and implementation.
- It would lead to more communication and collaboration between local Councils.
- Like Hobart's H2O model.

## DISADVANTAGES

- It has not been done well in the Southern Tasmanian Councils to date. It has been inconsistent and not particularly long lasting.
- The commercial model adopted by one Council is not regarded by some other Councils as true resource sharing and is resented by some others. It is run as a commercial proposition.
- Who will run it?
- Tends to involve service "selling" rather than service "sharing"
- Widescale resource sharing would inevitably lead to another layer of bureaucracy or an unaccountable body.
- Staff morale may be lowered because of it.
- Roles and functions may be ill-defined including between State and Local Governments.
- The savings may be minimal. We would need to know existing costs of what we do and we don't know those costs now.
- The status quo does not address problems like too many Councillors now.
- It does not resolve the ongoing pressure to amalgamate Councils.
- The difficulty of resource sharing is that for some activities such as grading , especially of gravel roads, is better done in the winter season because dust dampening is not required. This means that sharing of graders is not that easy to achieve.
- It is too voluntary a process.
- It would be de-stabilising and change existing arrangements. The community is not well prepared for change.
- Knock-on effects of downtime.
- A dissatisfied broader community.



## OPTION 2

### A SINGLE SOUTHERN TASMANIAN REGIONAL COUNCIL

#### ADVANTAGES

- As the seventh largest Council in Australia such a Council would have considerable clout and status not just in Tasmania, but on the national stage. It would provide a single voice for the region.
- Under this option every Council would share the pain of change - we're all in it together.
- This Council would be able to have specialist staff attract top people.
- There would be considerable savings achieved through a common set of regulations, common policies, uniform service delivery standards, centralised procurement. It could reduce duplication.
- It would create the potential for greater equity in the region.
- A single Council would increase co-ordinated planning for the region.
- There would be standardised administrative procedures.
- It would probably lead to a review of State and Local Government relationships.
- It could lead to an increase in services.
- It could lead to less parochialism.

#### DISADVANTAGES

- Party politics could take over and there would be less independent candidates for elected office.
- A single Southern Tasmanian Regional Council would lose its rural sense of identity and have to re-create this through local participation that would almost start re-establish the old local Councils.
- The diversity of communities, that is urban and rural would create significant tensions. In order to deal with these tensions, a gerrymander might be put in place. This would undermine the democratic principle of a constant ratio of an equal number of voters to Councillors. This would result in considerable community tension.
- The distances Councillors would have to travel would make representation very difficult.

- The overall size of the Council might be just too big. Creates diseconomies of scale because of distance to be travelled. Represents 50% of State's population and is too big to be local government.
- The Council would end up being quite centralised in its administration and lose touch with the rural areas and end up having some diseconomies of scale in its operation.
- This Council would lead to a loss of local employment.
- The power would shift to centralised bureaucrats.
- Centralisation would lead to increased costs.
- Less opportunity to become a Councillor.
- The Council would threaten the State Government by its size. This problem would potentially be resolved in future years by the State Government by creating a North West Council and a Northern Council and then abolishing local government in Tasmania. These regional operations would then become regional operations of the State Government.
- Southern Water has not worked so why would this work? On the other hand water and sewer could go back to local government under this single regional Council.
- The success of the model would depend on its rigour and implementation.



### OPTION 3

#### A GREATER HOBART COUNCIL AND RURAL COUNCILS BEING MOSTLY LEFT AS STATUS QUO

#### ADVANTAGES

- There would be a Council for the Greater Hobart metropolitan area which would be able to speak with one voice for Hobart. This Council would be able to strategically plan for Greater Hobart, plan and fund major projects, harness resources outside of Council, that is, within the community and business to meet these objectives. A Greater Hobart Council would unify the current Councils in the Greater Hobart area.
- Improved strategic planning. in transport, infrastructure and land use.
- A Greater Hobart Council recognises the lower Derwent as an environmental and waterways catchment.
- A Greater Hobart Council would be able to achieve cost savings through procurement, improved asset management, common policies, programs and administration.
- A Greater Hobart Council would be able to attract the cream of local Government CEOs, specialist staff and senior managers.
- A Greater Hobart Council would dampen possible influence of political parties.
- Structures could be put in place to improve and encourage localism, where it does not happen now. This could include more use of volunteers.
- Will require a ward system at least initially.
- This option leaves the small rural Councils alone. Retains identity of small towns.
- The creation of a Greater Hobart Council could result more funds for Hobart but not necessarily at the expense of the rural areas. for example, it could lead to the release of Financial Assistance Grants funds to support the rural Councils and make them more financially sustainable and resilient.
- A Greater Hobart Council is better than the current structure because it would counter the dominance of Hobart City Council.
- Only urban parts of the edge should be in it. The urban boundary in the Regional Plan should be its boundary.
- a better option than the single regional council because it affects less Councils.

## DISADVANTAGES

- A Greater Hobart Council would attract the interest of political parties in standing endorsed candidates in elections.
- This Council would have a large bureaucracy.
- Could be a lack of resource sharing with rural Councils. It would need a MOU or contract or legislation to facilitate the change so that rural Councils got some benefit out of the change.
- This option disadvantages some parts of rural areas that benefit from the urban parts of their current municipalities.
- It would highlight the difference between urban and rural Councils. The size of Greater Hobart would mean the rural Councils would get lost and not have much political say.
- Some rural configurations are not aligned eg heritage.
- It does not change the sustainability of rural Councils.



## OPTION FOUR

### EASTERN AND WESTERN SHORE HOBART COUNCILS AND RURAL COUNCIL MERGERS

#### ADVANTAGES

- This option provides potentially more economies of scale than the current model.
- A better model than Greater Hobart as it may be less bureaucratic.
- Elected people can look after their areas.
- It is difficult in Brighton at present to put together rural, urban and peri urban - less of a challenge putting like with like together.
- Pulls together some communities of interest in the rural areas, and splits other communities of interest in rural areas, but splits the urban community interest.
- Adds lobbying power through 2 urban Councils.
- Reduced costs of governance e.g. EMs and GMs
- Need an output focussed model for local government.
- Competition between like Councils is a good thing because it creates a dynamic tension.
- Model has a glimmer of “sense of place”.
- Commonness of community in rural Kingborough and Huon Valley.

#### DISADVANTAGES

- This arrangement would reinforce any existing west-east divide in Hobart and potentially create more tension than is currently the case amongst the Councils in Greater Hobart. The size difference between Eastern and Western Shores Councils would cause problems.
- No more efficient than current arrangements in urban areas.
- The physical barrier of water is a common thing in Tasmania and is not so much a divider as connector. It is an asset. The Derwent is a catchment and it should be dealt with in an integrated way.
- There is a community around the river, more than in a linear strip along the river.
- There are close connections between Clarence and Hobart, that is living, shopping and work.

- Planning issues between Eastern and Western shores Councils may be a problem.
- The mergers of rural Councils does not necessarily make any of them more viable or financially sustainable than the existing Councils. for instance in one case it would be 3% of Tasmania's population but 20% of its land mass. rural areas still don't have a good rate base.
- Rural Councils should not be dominated by urban Councils. There is a lack of understanding between them. Greater Hobart better for rural Councils.
- Another model might be Brighton, Southern Midlands, part Northern Midlands, Central Highlands (as long as it doesn't disadvantage rural Councils).
- No advantage from a larger Central Highlands, no income from World Heritage areas (Parks and Conservation and the Hydro lakes).
- Questionable as to whether people will accept imbalance in Councils' debts.
- Need ward system to achieve representation.
- Urban and rural Councils should be based on natural bio-regions.

**Jude Munro, Chair  
INDEPENDENT PANEL  
9 September 2011**