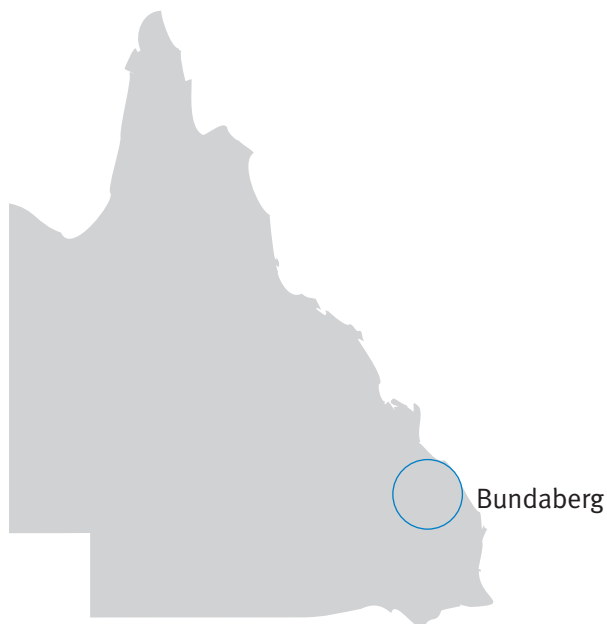


# Bundaberg Regional Council



## 1. Recommendation

### The Commission recommends:

- (i) the existing local governments of Bundaberg City, Burnett Shire, Kolan Shire and Isis Shire Councils be abolished and a new local government formed based on the combined area of the four existing local governments;
- (ii) the new local government be called Bundaberg Regional Council;
- (iii) the new local government be undivided with 10 councillors and a mayor; and
- (iv) the new local government be classed as a regional local government.

## 2. Comparison of new and previous local governments

NEW LOCAL GOVERNMENT	PREVIOUS LOCAL GOVERNMENTS				
Name	Bundaberg Regional Council	Bundaberg City Council	Burnett Shire Council	Kolan Shire Council	Isis Shire Council
Class	Regional	City	Shire	Shire	Shire
Size	6,451 sq km	96 sq km	2,004 sq km	2,650 sq km	1,701sq km
Population 2006	86,364	47,318	28,125	4,576	6,345
Population 2026	116,710	57,596	46,333	5,162	7,619
Electors 2007	57,411	31,730	18,174	3,036	4,471
Electoral arrangements	Undivided 10 councillors plus mayor	Undivided 8 councillors plus mayor	Undivided 8 councillors plus mayor	Undivided 6 councillors plus mayor	Undivided 6 councillors plus mayor
Electors per councillor excluding mayor	5,741	3,966	2,271	506	745
Total operating revenue financial year 2006	\$89 million	\$46 million	\$25 million	\$7 million	\$11 million
Annual capital expenditure financial year 2007 - 2015	\$36 million (excluding Isis)	\$18 million	\$15 million	\$3 million	N/a
Total assets at 30 June 2006	\$1,017 million	\$420 million	\$316 million	\$60 million	\$221 million
Debt at 30 June 2006	\$41.6 million	\$14.9 million	\$16 million	\$1 million	\$9 million
Community equity at 30 June 2006	\$956 million	\$394 million	\$297 million	\$56 million	\$209 million

## 3. Rationale for the new local government

### 3.1 Service delivery, operations and management

- Service delivery improved through economies of scale around:
  - developing a regional strategy and plan for managing the impact of the significant tourism, property development and population growth likely to be experienced in the region over the next 20 years (particularly in Bundaberg and the coastal towns);
  - managing water, waste and sewerage;
  - managing and maintaining road networks;
  - utilising plant; and
  - undertaking core corporate functions including executive and administrative functions, finance, procurement and information technology.
- Non-amalgamation would prevent economies of scale in the delivery of local government services because of the relatively small populations of two of the four local governments.
- Increasing the capacity of the council through a larger revenue and asset base improves the prospects of attracting, developing and retaining the skills base required to undertake planning and actively managing the social and economic development as well as environmental issues across the region.
- Amalgamating the four local governments offers the potential to improve the quality of governance and improved decision making.
- Enhancing the capacity of the new local government to engage with industry and State and Federal Governments in relation to tourism, environmental issues, economic development, road network management and water and waste management on a regional basis.
- Tourism potential of the region is best developed on a regional basis rather than by individual shires.
- Achieving efficiencies in the management of a number of non-core local government activities currently undertaken by the local governments.

### 3.2 Communities of interest

- Bundaberg is the principal service centre for the region where all major retail, health (hospitals and nursing homes), commercial, financial and government agencies are located.
- The regional economy is heavily dependant on agricultural production and the processing of this agricultural output (fruit/vegetables and beef cattle in particular). With regard to agricultural processing, the region has a large rum distillery, beverage manufacturing and a sugar mill, which rely heavily on the production of sugar cane.
- Close geographic location of all towns with no more than 60 minutes drive from Bundaberg to most settlements in the region.
- Strong transportation linkages with Gin Gin and Childers being located on the inland Bruce Highway with good road networks through to Bundaberg and the coastal towns including Bargara.
- The coastal rail network passes through Bundaberg.
- The seaside towns of Bargara, Moore Park, Elliott Heads and Burnett Heads in the current Burnett Shire are satellite suburbs of Bundaberg with 52 percent of the employed population of Burnett working in Bundaberg.
- Bundaberg has a regional airport.
- Bundaberg also has a seaport, owned and operated by Bundaberg Port Authority, with the main throughput being sugar.
- There are no natural barriers between the communities.

### 3.3 Other

Kolan Shire Council is rated as very weak with a developing outlook in the Financial Sustainability Review by Queensland Treasury Corporation. Based on this rating and outlook, there is potential for Kolan Shire Council to be rated as distressed in the short to medium-term. However, its inclusion in an amalgamated local government is unlikely to significantly weaken the new local government.

## 4. Financial sustainability

Each local government was rated in the Financial Sustainability Review by Queensland Treasury Corporation as follows:

- Bundaberg City Council – moderate (developing);
- Burnett Shire Council – moderate (developing);
- Kolan Shire Council – very weak (developing); and
- Isis Shire Council – weak (based on historical figures as Isis Shire Council declined an invitation to be part of the SSS process).

It is likely that the amalgamated local government would be rated as moderate with a developing outlook.

The combined local government will have a greater capacity to improve its financial sustainability through its ability to:

- improve economies of scale; and
- undertake regional planning and infrastructure delivery.

## 5. Implementation issues

The Commission did not identify any specific issues relating to the formation of the new local government area.

## 6. Boundary issues

The Commission did not identify any major ongoing boundary issues.

## 7. Suggestions

The Commission gave consideration to the 63 suggestions it received in relation to the proposed local government area.

### 7.1 Details of suggestions

- Bundaberg City Council, in its suggestion to the Commission, believes that no change is not an option and suggests two options for amalgamation as follows:
  - Amalgamate with Burnett, Kolan and Isis Shires and a portion of Miriam Vale Shire (from Agnes Waters/Town of 1770 to the south) which is Council's preferred option and is based on:
    - strong community of interest between Bundaberg, Burnett, Isis and Kolan Shires;
    - enables cohesive planning and coordination of the necessary infrastructure for proposed master planned communities for Goodwood, Woodgate and Miara;
    - aligns with the water catchment areas of the Kolan, Isis, Gregory, Elliott and Burnett (East) River systems and the Baffle Creek area; and
    - builds on the existing infrastructure, economic development and improved integrated transport in the region as defined in the Wide Bay Burnett Regional Plan.

The amalgamated local government should be divided with 12 councillors and a mayor.

- Amalgamate Bundaberg City and Burnett Shire Councils based on:
  - very strong community of interest between the two local governments;
  - existing urban and rural interests of the Burnett Shire residents are compatible with those of the Bundaberg residents; and
  - significant cross-border utilisation of services and infrastructure currently exists.

The amalgamated local government should be divided with 10 councillors and a mayor.

Council suggests the name of the amalgamated local government be Bundaberg City or Bundaberg Regional Council as the name Bundaberg is internationally recognised for its products, such as rum and sugar.

Council also suggests that the State Government provide significant funding in the early years of amalgamation to facilitate the process and that there is a guarantee that existing sources of revenue (Financial Assistance Grants and allocation of Main Roads works) be preserved.

- Burnett Shire Council proposes in its suggestion to the Commission that if forced amalgamations should take place that Bundaberg City and Burnett Shire Councils amalgamate due to the following reasons:
  - both local governments share common community interests;
  - there is a distinct connection through employment centres, farming and agriculture, leisure and sporting activities, schools, hospitals and shopping centres;
  - close proximity of all major populated urban areas; and
  - economies of scale will provide savings and improved services.

In addition to a number of transitional issues, Council also suggests the amalgamated local government should have disproportionate representation and divisional boundaries.

- Kolan Shire Council opposes amalgamation and prefers to stand-alone. If forced to amalgamate with other local governments, it is council's preference to form a large rural local government incorporating Kolan, Biggenden, Isis and Perry Shires, parts of Burnett Shire and possibly Miriam Vale Shire with Gin Gin as a service hub. Its reasons are outlined as follows:
  - all shires fall within the current scope of the Wide Bay Burnett Regional Plan;
  - strong community of interest through river flow, agricultural and commercial similarities, a network of educational, social and recreational relationships, demographics;
  - effective representation by the rural community with a rotation of council meetings across towns/villages to ensure greater opportunity for representation and community engagement; and
  - natural resource management and catchment areas incorporate all local governments which will improve strategic management of this issue.

- Isis Shire Council opposes amalgamation and prefers to stand-alone. If forced to amalgamate with other local governments, council has two preferences:
  - Amalgamate Kolan, Perry, Biggenden and Gayndah Shire Councils into a Greater Regional Council based on communities of interest, enhanced social capital, increased financial viability, improved operational efficiency, collaborative planning for growth, equitable distribution of resources, improved service delivery and environmental sustainability. Council suggests the name of the amalgamated local government should be Goonaneman Shire Council.
  - A preference to amalgamate with Bundaberg City (rather than Hervey Bay City) based on communities of interest being stronger with Bundaberg and a history of collaboration. The concern is the loss of representation, a potential downgrading of services and questionable economies of scale.

### 7.2 Commission's comments on suggestions

- The Commission considered all suggestions on Bundaberg City and Burnett, Kolan and Isis Shire Councils and recommends amalgamation on the basis that:
  - Bundaberg is a regional centre for residents in the region who cannot obtain educational, health, retail, financial and commercial services from other closer towns.
  - Each local government may be able to function as independent entities over the short to medium-term, but in the long-term amalgamation will give the region greater capacity to address the growth, economic, environmental and social planning issues facing the region.
  - Forming a larger local government assists with institutionalising knowledge, building core pools of skills, attracting retaining and developing staff, extending the range of services offered and succession planning.
  - Unique and diverse communities do not lose their character by being amalgamated.
  - All towns in the region are in close geographic proximity to each other with a good road network.

- The suggestions by Kolan and Isis Shire Councils to form large rural based local governments with a number of other local governments is not supported by the Commission on the basis that the amalgamations have limited potential to enhance capacity and improve financial sustainability. In addition, there appears to be no compelling community of interest other than the amalgamated local government being rural based.
- Bundaberg City Council's suggestion to amalgamate the southern part of Miriam Vale Shire with the Bundaberg Regional Council is consistent with Gladstone City Council's suggestion to amalgamate the northern part of Miriam Vale Shire with the Gladstone Regional Council. However, the Commission feels that that this change may introduce complexity in transition to the new regional entity. Therefore, the Commission recommends the retention of the whole of Miriam Vale Shire in the Gladstone Regional Council. In addition, the Commission took into consideration Miriam Vale Shire Council's suggestion that if it is to be amalgamated with an urban coastal local government the preference is to amalgamate with Gladstone City/Calliope Shire.

## 8. Other Commission considerations

There were no other considerations.

## 9. Objectives set for Commission

OBJECTIVES	OBJECTIVES ACHIEVED
Facilitates optimum service delivery to Queensland communities.	Yes.
Ensure local government effectively contributes to and participates in Queensland's regional economies.	Yes.
Manages economic, environmental and social planning consistently with regional communities of interest.	Yes.
Effectively partners local government with other levels of government to ensure sustainable and viable communities.	Yes.