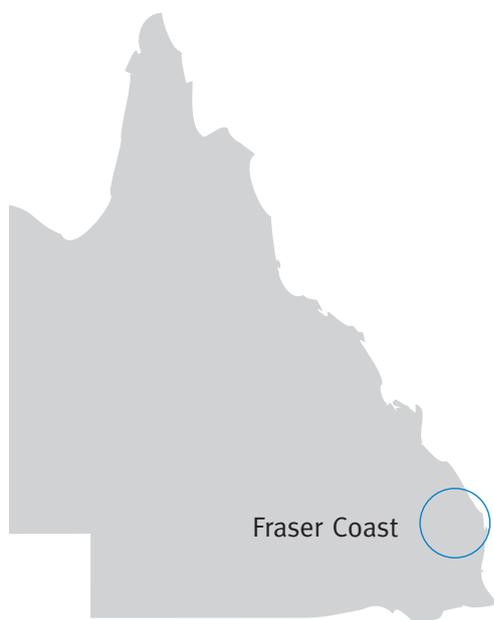


Fraser Coast Regional Council



1. Recommendation

The Commission recommends:

- (i) the existing local governments of Maryborough City, Tiaro Shire (Divisions 1 and 2); Woocoo Shire and Hervey Bay City Councils be abolished and a new local government formed based on the combined area of these local governments areas;
- (ii) the new local government be called Fraser Coast 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	Fraser Coast Regional Council	Maryborough City Council	Tiaro Shire Council (Divisions 1 & 2)	Woocoo Shire Council	Hervey Bay City Council
Class	Regional	City	Shire	Shire	City
Size	7,125 sq km	1,234 sq km	1,529 sq km	2,006 sq km	2,356 sq km
Population 2006	86,747	25,804	3,284	3,349	54,310
Population 2026	123,966	27,499	5,031	4,561	86,875
Electors 2007	59,343	18,107	2,266	2,468	36,502
Electoral arrangements	Undivided 10 councillors plus mayor	Undivided 8 councillors plus mayor	Divided 5 councillors	Divided 6 councillors plus mayor	Undivided 7 councillors plus mayor
Electors per councillor excluding mayor	5,934	2,263	453	411	5,214
Total operating revenue financial year 2006	\$110 million	\$27 million	\$5 million *	\$4 million	\$74 million
Annual Capital Expenditure financial year 2007 - 2015	\$72 million	\$18 million	\$2 million *	\$2 million	\$50 million
Total assets at 30 June 2006	\$1,153 million	\$332 million	\$35 million *	\$35 million	\$751 million
Debt at 30 June 2006	\$83 million	\$17 million	\$minor	Nil	\$66 million
Community equity at 30 June 2006	\$1,049 million	\$309 million	\$34 million *	\$35 million	\$671 million

* Pro-rated based on 2006 population split by Division

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 significant population growth and expected development in the tourism and property development sectors, likely to be experienced in the region over the next 20 years;
 - 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.
- Increases the capacity of the local government through a larger asset and revenue base which enhances the prospects of the council attracting, retaining and better developing the skills base required to undertake the planning for, and actively manage the social, economic development and environmental issues across the region.
- Amalgamation will offer the potential to improve the quality of governance and will result in improved decision making.
- Addresses the issue of operating and maintaining two airports in close proximity to each other.
- Removes the issue of Fraser Island being split between two local governments.
- Enhances the capacity of the new local government to engage with industry and State and Federal Governments in relation to tourism, environmental issues, economic development, management of the road network and with respect to water, waste and sewerage treatment.

3.2 Communities of interest

- The main centres of the region are Maryborough and Hervey Bay which are 34 kilometres apart. Maryborough was traditionally the main centre for the region however in more recent times Hervey Bay has overtaken Maryborough as the major retail and commercial hub.
- All shires are in very close proximity to each other.
- Both Maryborough and Hervey Bay are major government service centres including health and education with the focus shifting to Hervey Bay.
- Hervey Bay and Fraser Island are the major tourist attractions.
- No natural barriers exist between the communities. All communities are linked by a sound road network with the Bruce Highway being the spine.
- Patterns of growth and commercial development in Hervey Bay should enhance the opportunities for Maryborough City to maintain its profile as an historic centre.
- The coastal rail network passes through Maryborough.

3.3 Other

Woocoo Shire Council is rated as very weak with a developing outlook in the Financial Sustainability Review by Queensland Treasury Corporation. Based on this rating, there is potential for Woocoo Shire Council to be rated as distressed in the short to medium-term. However, its inclusion in an amalgamated local government is not expected to have a significant effect on the new local government.

4. Financial sustainability

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

- Maryborough City Council – moderate (developing);
- Tiaro Shire Council – weak (developing);
- Woocoo Shire Council – very weak (developing); and
- Hervey Bay City Council – moderate (developing).

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

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

- achieve economies of scale;
- attract, retain and develop skilled staff as well as build capacity of systems; 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 57 suggestions it received in relation to the councils proposed to comprise the Fraser Coast Regional Council.

7.1 Details of suggestions

- Maryborough City Council makes three suggestions to the Commission as follows:
 - Amalgamate Maryborough City with Tiaro and Woocoo Shire Councils (or parts thereof);
 - Hervey Bay City Council should remain in its current form; and
 - minor boundary alterations with Fraser Island to come under the sole jurisdiction of Hervey Bay City, the town of Aldershot to come under the jurisdiction of Hervey Bay City and the town of Dundathu to come under the jurisdiction of Maryborough City.

Council suggests that the amalgamated Maryborough City and Tiaro and Woocoo Shire Councils be divided and that the preferred

name be Mary River Shire Council or remain as Maryborough City Council.

Council does not support amalgamating Maryborough City, Hervey Bay City, Woocoo Shire and Tiaro Shire Councils for the following reasons:

- Maryborough and Hervey Bay Cities are located 34 kilometres apart with state and forestry reserves separating them;
- there is no urban overspill or cross boundary issues between the two cities;
- the direction, demographics and focus of the cities is different;
- there are distinct and differing communities of interest between the two cities
- no quantifiable efficiency gains; and
- regional service agreements can deliver the regional services required.

- Woocoo Shire Council is opposed to amalgamation considering the status quo as the best option. Council also outlines three other options (as follows) however is concerned that these would result in loss of representation for residents of Woocoo Shire:

- Amalgamating with Tiaro Shire is not preferred although there are similarities with their rural and rural residential areas, community of interests, compatible technology and infrastructure. Council suggests that representation should be divided.
- Amalgamating with Tiaro Shire (or part thereof) and Maryborough City is not preferred. Maryborough City considers the rural residential areas of Woocoo and Tiaro should be included with Maryborough and council agrees. However, the remaining areas of Woocoo and Tiaro could not survive on a reduced rate based. Other boundary adjustments would be required in the Lenthall Dam catchment area which is supplied water by Hervey Bay. Council suggests that representation should be undivided.
- Amalgamating with Hervey Bay and Maryborough Cities and Tiaro Shire is not preferred as the two cities are completely different with Maryborough having major industry, commercial activities and residential

areas and Hervey Bay being mostly a tourist/retiree's area with local shopping and service industry. Council suggests that representation should be undivided.

- Tiaro Shire Council suggested that it should be amalgamated with Woocoo Shire with boundary changes to include the coastal strip of the Great Sandy Strait from Maryborough City. Council's rationale is:
 - The rural areas and minor urban settlements (of Tiaro and Woocoo) have a completely different set of needs to the urban communities (of Maryborough, Gympie and Hervey Bay) and although rural residents use urban areas for social, recreational and economic activities there would not be a significant cost impact on the urban local government and therefore amalgamating with these local governments is not justified.
 - Both local governments are in the Wide Bay Burnett Regional Planning Advisory Committee.
 - The amalgamated local government is principally the catchment area for the Mary River as well as having forests, good quality agricultural land and being the water catchment area for Lenthall Dam.
 - Although each local government's financial sustainability is not rated highly by QTC, amalgamation would assure the long-term viability of the amalgamated local government.

Council also suggests that the amalgamated local government be undivided with eight councillors and a mayor.

- Hervey Bay City Council presented two options in its suggestion to the Commission:
 - Boundary change to Hervey Bay City to include the entire area of Fraser Island, area south of the Isis River (Isis Shire), area north of the Munna Creek catchment (Woocoo Shire) and excision of townships of Dundathu and Aldershot (for inclusion in Maryborough City).

Hervey Bay continues to be classed as a city and be represented by six councillors and a mayor and remain undivided. The rationale

for these boundary amendments include strong communities of interest, consolidated natural resource management, consolidated water catchment areas, improved financial sustainability and maintaining social fabric and character of communities.

- Amalgamating Maryborough City, Woocoo Shire, and Hervey Bay City, Tiaro Shire (north of the Gunalda range), Isis Shire (south of the Isis River) and the eastern area of Cooloola Shire Councils (including Tin Can Bay, Rainbow Beach and Inskip Point).

The amalgamated local government would continue to be classed as a city and be represented by 12 councillors and a mayor and be undivided. The rationale includes communities of interest, consolidated natural resource management, consolidated water catchments areas, improved financial sustainability and improved capability and capacity.

7.2 Commission's comments on suggestions

The Commission considered the suggestions and recommends the amalgamation on the basis that:

- The existing shires of Woocoo and Tiaro may be able to function as independent entities over the short to medium-term, but in the long-term they will be less able to develop capacity to address social, environmental and economic issues facing the respective local governments.
- Amalgamating Tiaro and Woocoo Shire Councils only marginally improves the resourcing and financial capacity of the amalgamated local government when compared to the individual local governments.
- Amalgamating Woocoo and Tiaro Shire Councils with Maryborough City Council has merit and would likely result in improved efficiencies and governance. However, the Commission recommends that amalgamation with the fast growing city of Hervey Bay will result in greater efficiencies, enhanced capacity and improved service delivery. With planning being the responsibility of a single local government, this offers the prospect of delivering orderly and efficient land use, cost effective infrastructure provision, and importantly, the protection

of natural resource areas and environmental attributes upon which much of the tourism depends.

- The distinctive nature and character of the region's various communities need not be diminished in any way as a result of amalgamation. Through a careful approach to development, an area's natural and built environment can provide for diversity (including the protection and enhancement of Maryborough as an historic centre) and the quality of life of the inhabitants protected;
- Forming this 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.

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.