1. **Recommendation**

The Commission recommends:

(i) the existing local governments of Gladstone City, Calliope Shire and Miriam Vale Shire Councils be abolished and a new local government formed based on the combined area of the three existing local governments;

(ii) the new local government be called Gladstone Regional Council;

(iii) the new local government be undivided with eight 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**

<table>
<thead>
<tr>
<th>NEW LOCAL GOVERNMENT</th>
<th>PREVIOUS LOCAL GOVERNMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name</strong></td>
<td>Gladstone Regional Council</td>
</tr>
<tr>
<td>Class</td>
<td>Regional</td>
</tr>
<tr>
<td>Size</td>
<td>10,488 sq km</td>
</tr>
<tr>
<td>Population 2006</td>
<td>51,351</td>
</tr>
<tr>
<td>Population 2026</td>
<td>90,015</td>
</tr>
<tr>
<td>Electors 2007</td>
<td>32,771</td>
</tr>
<tr>
<td>Electoral arrangements</td>
<td>Undivided 8 councillors plus mayor</td>
</tr>
<tr>
<td>Electors per councillor excluding mayor</td>
<td>4,096</td>
</tr>
<tr>
<td>Total operating revenue financial year 2006</td>
<td>$84 million</td>
</tr>
<tr>
<td>Annual capital expenditure financial year 2007 - 2015</td>
<td>$31 million</td>
</tr>
<tr>
<td>Total assets at 30 June 2006</td>
<td>$846 million</td>
</tr>
<tr>
<td>Debt at 30 June 2006</td>
<td>$26 million</td>
</tr>
<tr>
<td>Community equity at 30 June 2006</td>
<td>$801 million</td>
</tr>
</tbody>
</table>
3. Rationale for the new local government

3.1 Service delivery, operations and management

The amalgamation of these three local governments creates an organisation of a scale and capacity to undertake comprehensive natural resource management across the region in an integrated manner, in addition to managing its urban growth areas. As a consequence it will be able to:

- plan for and coordinate the delivery of infrastructure required to support major economic development initiatives emerging in the region;
- address workload resourcing difficulties associated with planning for expected growth and assessing development proposals and applications for major projects, integrate the disparate approaches to natural resource management and ensure sound environmental management; and
- provide the necessary political leadership and advocacy capability, size, financial and technical resources to successfully address the land use, natural resource, environmental, economic and social challenges.

This larger and better resourced local government will be better equipped to deal with large scale economic developments. Within this context, significant development over the next 20 years is expected with respect to:

- port, road and rail transport infrastructure;
- processing smelters and refineries;
- power stations;
- gas pipelines;
- the region's shale oil deposits;
- explosives; and
- tourism, particularly around the coastal towns and islands.

3.2 Communities of interest

- Gladstone City is considered the future major centre for the lower Surat Basin due to it being the rail head and deep water port for the coal and gas fields as well as for alumina. The rail network for the entire lower Surat Basin terminates or commences at Gladstone.
- Gladstone City is seen as a hub for employment in commercial, industrial, banking, retail, government and health services for the region.
- There is a heavy dependence on the alumina refinery, coal and gas fields, power station and related manufacturing industries. Central Queensland Port and Queensland Rail are other large employers.
- Beef cattle production is by far the most significant agricultural production undertaken.
- Tourism is growing in significance and is best developed on a regional basis rather than by individual local governments.
- Good transportation linkages with most towns in the region no more than 60 minutes drive from Gladstone.
- Calliope Shire is a dormitory area for Gladstone with 41 percent of employed people working in Gladstone. Less than 10 percent of Gladstone’s permanent employees work in Calliope Shire.
- Industrial planning can be best undertaken by an amalgamated council.
- Gladstone has a significant regional airport jointly owned and operated by Gladstone Calliope Aerodrome Board with a number of daily flights to Brisbane.
- No natural barriers between the communities.

3.3 Other

Not applicable.

4. Financial sustainability

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

- Gladstone City Council – moderate (developing);
- Calliope Shire Council – strong (developing);
- Miriam Vale Shire Council – moderate (developing).
It is likely that the amalgamated local government would be rated as moderate with a developing outlook.

The amalgamation of the local governments removes structural inefficiencies that may affect the region’s ability to improve its financial sustainability.

5. Implementation issues

The Commission recommends the Gladstone-Calliope Aerodrome Board, which is a separate legal entity under the Local Government Act 1993, be abolished and its functions assumed by the amalgamated local government.

6. Boundary issues

The Commission did not identify any major ongoing boundary issues.

7. Suggestions

The Commission gave consideration to the 65 suggestions it received in relation to the area proposed to be included in the new Gladstone Regional Council.

7.1 Details of suggestions

- Gladstone City Council in its suggestions to the Commission, outlines that amalgamation of Gladstone City, Calliope Shire and the northern part of Miriam Vale Shire is a preferred option because:
  - it represents a distinct regional community of interest;
  - utilises logical, natural boundaries for the new local government; and
  - it will allow focused planning and service delivery in this emerging part of coastal Queensland, incorporating its major industries and port and rural hinterland.

- The northern part of Miriam Vale Shire has close ties with Gladstone City and Calliope Shire and it is considered appropriate that they should be included in any amalgamation.

- Council suggests that Banana Shire would not be an appropriate candidate for any form of amalgamation based on its current size, physical features and spread of townships.

- Council also suggests the amalgamated local government be named Gladstone Regional Council and that representation is undivided.

- Calliope Shire Council, in its suggestions to the Commission, opposes any amalgamation. The proposed amalgamation of the Gladstone City, Calliope, Banana, Miriam Vale and Monto Shires has been considered by the Port Curtis Alliance of Councils (PCAC) and under the SSS process and was rejected for the following reasons:
  - the geographic boundary of the mountain range sets up a physical community of interest barrier;
  - the super shire would have an area of 30,000 sq km, a population of 68,604 with 34 towns which is considered too large to be an effective local government; and
  - the area of the super shire is currently serviced by 45 elected representatives and therefore the loss of representation is a major issue.

- The PCAC agreed to consider the possible amalgamation of the three coastal local governments (Gladstone City, Calliope and Miriam Vale Shires) under the SSS process. The group did however acknowledge that Miriam Vale Shire Council was also part of the East Burnett Group of Councils for the SSS process. A split of community of interest exists within Miriam Vale Shire with the northern part of the shire looking north and the southern part of the shire looking south.

- Miriam Vale Shire Council’s suggestion outlined three options in order of preference:
  - It remains an entity in its own right as it is financially sustainable and has no specific or direct alignment with Bundaberg or Gladstone City Councils.
- If an amalgamated local government is to be formed based on an urban coastal town, then amalgamation should proceed with Gladstone City and Calliope Shire. The local government should be called Port Curtis Regional Council.
- If a rural based amalgamation is to proceed then it should encompass the rural areas surrounding Bundaberg and Gladstone City Councils.

• Monto Shire Council’s suggestion is to amalgamate with Gladstone City and Calliope Shire based on strong communities of interest and the resource capability such an amalgamation offers in terms of financial and human resources that would not be otherwise available to Monto Shire Council.

7.2 Commission’s comments on suggestions

• The Commission considered the suggestions of Calliope and Miriam Vale Shire Councils remaining as individual local governments. However the Commission is of the view that such a recommendation would not position these local governments to meet the future economic and social challenges of the region. In particular, the region is likely to continue to be one of the key economic drivers for the State for the next 20 years and beyond through ongoing industrial development, investment in transport infrastructure and tourism development. It is essential that the local government is of a scale and size that gives it the advocacy capability to engage and negotiate effectively with State and Federal Governments and the private sector if residents of the region are to obtain optimal outcomes from the investment in projects and environmental impacts are to be properly managed. The Commission recommends that this is best achieved through the amalgamation of the three local governments.

The amalgamation is further supported by:
- Gladstone City being the regional centre;
- the need to drought proof this region due to the importance of water not only for domestic and agricultural users but also for industrial users;

- Calliope Shire being heavily dependent on Gladstone City for employment; and
- as growth continues the merging of urban and industrial Gladstone City with Calliope Shire.

• The Commission discussed the merits of Monto Shire Council’s suggestion and while it understands the reasons, the Commission believes that Monto Shire’s community of interest better rests with the North Burnett Region.

• Gladstone City Council’s suggestion to amalgamate the northern part of Miriam Vale Shire has merit and is consistent with Bundaberg City’s suggestion to amalgamate the southern part of Miriam Vale Shire. However, the Commission feels that this change may introduce complexity in transition to the new regional entities and may disadvantage residents in the affected area. 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

• The Commission considered including Banana Shire Council in the amalgamated local government. However, the Commission decided not to recommend this inclusion, as:
  - there are not compelling community of interest considerations;
  - Biloela, the main town in Banana Shire, is a regional centre and is more suited to be the location of a local government; and
  - the shire is separated from the other members of the Gladstone Regional Council by a mountain range.
## 9. Objectives set for Commission

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