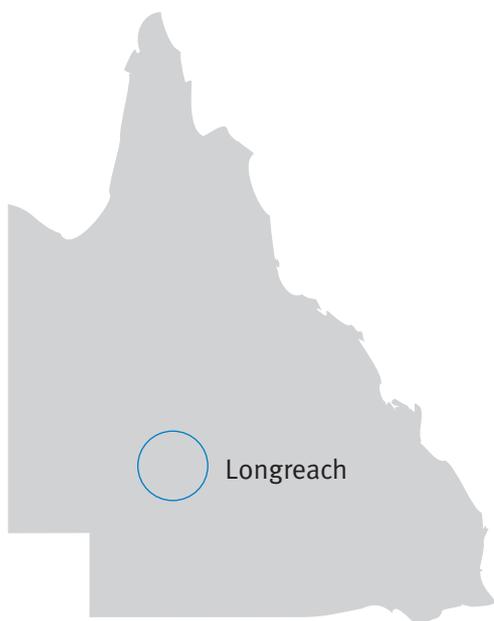


Longreach Regional Council



1. Recommendation

The Commission recommends:

- (i) the existing local governments of Longreach Shire, Ilfracombe Shire and Isisford 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 Longreach Regional Council;
- (iii) the new local government be undivided with six councillors and a mayor; and
- (iv) the new local government is classed as a regional local government.

2. Comparison of new and previous local governments

NEW LOCAL GOVERNMENT	PREVIOUS LOCAL GOVERNMENTS			
Name	Longreach Regional Council	Longreach Shire Council	Ilfracombe Shire Council	Isisford Shire Council
Class	Regional	Shire	Shire	Shire
Size	40,638 sq km	23,561 sq km	6,576 sq km	10,501 sq km
Population 2006	4,664	4,001	362	301
Population 2026	5,059	4,369	369	321
Electors 2007	2,635	2,261	198	176
Electoral arrangements	Undivided 6 councillors plus mayor	Undivided 9 councillors plus mayor	Undivided 6 councillors plus mayor	Undivided 6 councillors plus mayor
Electors per councillor excluding mayor	439	251	33	29
Total operating revenue financial year 2006	\$22.3 million	\$13.9 million	\$4.1 million	\$4.3 million
Annual capital expenditure financial year 2007 - 2015	\$14 million	\$7.2 million	\$1.1 million	\$5.7 million
Total assets at 30 June 2006	\$146.8 million	\$104.9 million	\$15.3 million	\$26.6 million
Debt at 30 June 2006	\$1.6 million	\$1.6 million	Nil	Nil
Community equity at 30 June 2006	\$142.5 million	\$101.3 million	\$14.9 million	\$26.3 million

3. Rationale for new local government

3.1 Service delivery, operations and management

- Developing a regional plan for a central western region of Queensland.
- Service delivery improved through economies of scale particularly for residents of Ilfracombe Shire and Isisford Shire Councils around:
 - regional planning;
 - managing water, waste and sewerage;
 - managing and maintaining road networks;
 - utilising plant; and
 - undertaking core corporate activities including executive and administrative functions, finance, and information technology.
- Increasing the capacity of the local government through a larger revenue and asset base with enhanced prospects of attracting, retaining and developing the skills required to undertake the activities of a local government.
- Enhance the capacity of the new local government to engage with industry and State and Federal Governments in relation to tourism, environmental issues and regional development.
- Amalgamating the three local governments offers the potential to improve the quality of governance.
- Ilfracombe Shire and Isisford Shire Councils undertake a number of non-core local government activities.

3.2 Communities of interest

- Longreach is the major service centre for the region with key retail, health (hospitals and nursing homes), commercial and government activities. It is also the location of an agricultural college.
- Close geographic location of the three shires with all towns in the area being within approximately 100 minutes drive from Longreach.
- All shires have similar economic interests being agricultural with a heavy dependence on wool, sheep and lamb for meat, and beef cattle.
- The tourism industry is important to the region with the Stockman's Hall of Fame, QANTAS Founders

- Outback Museum and the Thompson River.
- Longreach has a domestic airport which is essential for residents to gain quick access to Brisbane and then to other domestic and overseas locations. The airport also facilitates tourism in the region.
- Strong transportation linkages with the rail network and the Landsborough Highway through Longreach and Ilfracombe.
- Longreach is the regional base for the Royal Flying Doctor Service and incorporates the Matilda Regional Health Service which covers nine current local governments.

3.3 Other

- Ilfracombe Shire Council is rated as very weak with a negative outlook in the Financial Sustainability Review by Queensland Treasury Corporation. Based on this rating and outlook, there is potential for Ilfracombe Shire Council to be rated as distressed in the short to medium-term. However, its inclusion in an amalgamated local government should not significantly weaken the new local government.
- While Ilfracombe Shire Council's inclusion in the amalgamated local government area will not significantly weaken the amalgamated local government, it will have an impact on the financial position and therefore consideration should be given as to whether any assistance needs to be provided.

4. Financial sustainability

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

- Longreach Shire Council – moderate (developing);
- Isisford Shire Council – moderate (neutral); and
- Ilfracombe Shire Council – very weak (negative).

Amalgamating these local governments removes structural inefficiencies (particularly with respect to Ilfracombe Shire Council). It is likely that the amalgamated local government would be rated as moderate with a developing outlook.

The combined local government will have improved

financial sustainability through its ability to:

- improve economies of scale;
- attract, retain and develop skilled staff as well as build capacity of systems;
- undertake regional planning and infrastructure delivery; and
- address the issue of none-core activities and assets.

5. Implementation issues

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

6. Boundary issues

No major issues were identified.

7. Suggestions

The commission gave consideration to the 59 suggestions it received in relation to this area.

7.1 Details of suggestions

- Longreach Shire Council, in its suggestion to the Commission, recommends that it remains unchanged. Council is of the view that:
 - it can continue to provide good governance and meet the needs of the community in a sustainable manner;
 - existing mechanisms utilised for regional coordination are appropriate; and
 - amalgamating adjoining local governments will not lead to opportunities for improved financial sustainability.

Council also advises that it is opposed to mandated shared services, shared chief executive officers and multi-purpose joint local governments. If the local government area is enlarged, there should be no electoral divisions created.

- Ilfracombe Shire Council opposes forced amalgamation with neighbouring shires and offers alternatives to amalgamation which would enable efficiencies to be achieved, whilst maintaining local communities and local

representation citing the Remote Area Planning and Development (RAPAD) Board as an example.

- In its suggestion to the Commission, Isisford Shire Council opposes amalgamation and outlines the reasons below:
 - impact on community through the loss of local employment, reduced population and social capital disintegration as a consequence of amalgamation;
 - impact on visitors including reduced levels of services and lack of local monitoring of natural disasters;
 - Council draws attention to the moderate rating granted by QTC in assessing its financial sustainability;
 - loss of local democracy;
 - various shared service arrangements already in place with neighbouring shires in order to maximise resource utilisation and avoid duplication; and
 - cites examples of shortcomings in similar amalgamations carried out in Victoria and New South Wales where rural residents experienced deterioration in service levels provided by regional councils.
- The RAPAD Board recommends that the Commission:
 - finds against any forced amalgamation of any RAPAD area local shires, namely Aramac, Barcaldine, Barcoo, Blackall, Boulia, Diamantina, Ilfracombe, Isisford, Jericho, Longreach, Tambo and Winton Shire Councils;
 - finds in favour of the maintenance of existing activities structure and representation and the future strengthening of the RAPAD organisation; and
 - suggests that potential opportunities for additional service sharing initiatives be investigated further which may reduce the cost of provision and avoid the devastating social consequences of amalgamation.

7.2 Commission's comments on suggestions

While the Commission acknowledges the representations of the respective councils, it believes they can be resolved satisfactorily under an amalgamated local government model and therefore recommends the amalgamation of

Longreach, Ilfracombe and Isisford Shire Councils on the basis that:

- the existing local governments may be able to function as independent entities over the short to medium-term, with some doubts regarding Ilfracombe. In the long-term they will be less able to develop capacity to address social, environmental and 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;
- a stronger, more financially secure local government should be in a position to advocate its needs to State and Federal governments in respect of services and facilities, and better manage the risk where it provides community services.
- Longreach is the regional centre in providing education, health, financial and commercial services for residents in all three shires;
- The amalgamated council will be in a better position to continue to develop and implement outback tourism strategies that benefit the entire region.
- unique and diverse communities do not lose their character being administered by an amalgamated local government;
- relatively close geographic proximity to each other; and
- major road networks connect most towns in the region.

8. Other Commission considerations

The Commission also considered the following:

- Longreach, Isisford and Ilfracombe Shire Councils remaining as individual local governments. However, the Commission considered the continuation of separate local governments would not facilitate optimum service delivery for the region and would impair the local government’s ability to develop capacity to address social, environmental and economic development issues facing the region.

- Amending the boundaries so that the western section of the existing Aramac Shire Council be included as part of the Longreach Regional Council amalgamation. While this proposal has some merit, the Commission considers that the community of interest of this part of Aramac Shire Council fits best with the Barcardine Regional Council and transfer of whole local government areas in predominately rural regions will reduce complexity in the transition process.

9. Objectives set for Commission

OBJECTIVES	OBJECTIVES ACHIEVED
Facilitates optimum service delivery to Queensland communities.	Yes to the extent possible given the very small population, the shire area and its resources including financial and human resources.
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 to the extent possible given the limitations of council as a consequence of council’s capacity constraints in respect of resources, access to expertise and finances.
Effectively partners local government with other levels of government to ensure sustainable and viable communities.	Yes but more robust and better resourced local governments have the capacity to participate on a more equal basis in representing local government and community interests.