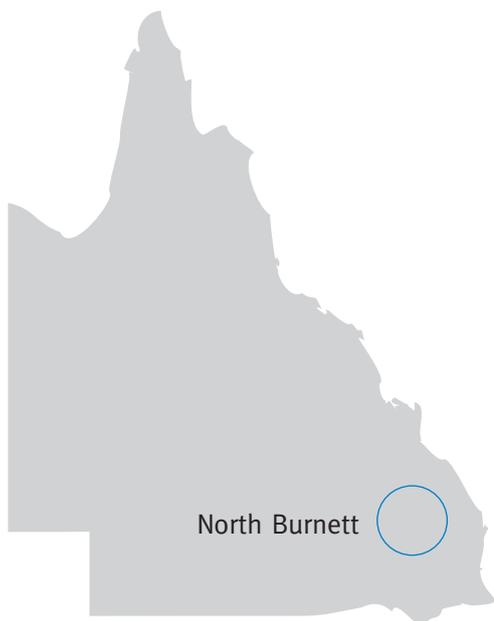


North Burnett Regional Council



1. Recommendation

The Commission recommends:

- (i) the existing local governments of Biggenden Shire, Eidsvold Shire, Gayndah Shire, Monto Shire, Mundubbera Shire and Perry Shire Councils be abolished and a new local government formed based on the combined area of the six existing local governments;
- (ii) the new local government be called North Burnett Regional Council;
- (iii) the new local government be undivided with six 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	North Burnett Regional Council	Biggenden Shire Council	Eidsvold Shire Council	Gayndah Shire Council	Monto Shire Council	Mundubbera Shire Council	Perry Shire Council
Class	Regional	Shire	Shire	Shire	Shire	Shire	Shire
Size	19,708 sq km	1,316 sq km	4,809 sq km	2,709 sq km	4,322 sq km	4,193 sq km	2,359 sq km
Population 2006	10,668	1,589	917	2,906	2,480	2,330	446
Population 2026	10,656	1,635	848	2,861	2,366	2,448	498
Electors 2007	7,079	1,115	619	1,918	1,761	1,364	302
Electoral arrangements	Undivided 6 councillors plus mayor	Undivided 6 councillors plus mayor	Undivided 4 councillors plus mayor	Undivided 6 councillors plus mayor	Divided 7 councillors plus mayor	Undivided 8 councillors plus mayor	Undivided 4 councillors plus mayor
Electors per councillor excluding mayor	1,179	185	154	319	251	170	75
Total operating revenue financial year 2006	\$32 million	\$4 million	\$7 million	\$7 million	\$6 million	\$5 million	\$3 million
Annual capital expenditure financial year 2007 - 2015	\$8 million	\$2 million	\$1 million	\$1 million	\$2 million	\$1 million	\$1 million
Total assets at 30 June 2006	\$427 million	\$70 million	\$44 million	\$59 million	\$173 million	\$54 million	\$27 million
Debt at 30 June 2006	\$1 million	Nil	Nil	minor	\$1 million	Nil	Nil
Community equity at 30 June 2006	\$423 million	\$70 million	\$44 million	\$57 million	\$171 million	\$54 million	\$27 million

3. Rationale for the new local government

3.1 Service delivery, operations and management

- Service delivery improvements through realising economies of scale around:
 - planning;
 - 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.
- The amalgamation will reduce the inefficiencies associated with having six local governments to manage the economic and community interests of a relatively small geographic region which has a static population of just over 10,000.
- Increasing the capacity of the local government, through a larger asset base and a larger revenue base, will enhance the prospects of it attracting, retaining and better developing the skills base required to undertake the activities required of this local government.
- Amalgamating the six local governments will offer the potential to improve the quality of governance and decision-making.
- Improving the capacity to develop a strategy and plan which addresses some of the key issues facing the area including ageing demographics, the low relative income of the region and the absence of a regional service centre.
- Enhancing the capacity of the new local government to engage with industry and State and Federal Governments in relation to economic development (the region has an extremely weak economic base), the region's ageing population, road network management and water, waste and sewerage issues on a regional basis, as opposed to having a number of very small local governments attempting to address these issues on a fragmented basis.
- The amalgamation of these local governments may provide the impetus for the development of one town as a regional centre.

3.2 Communities of interest

- Each local government is rural based. When compared with other rural based local governments they are very small with a largely common community of interest around primary production (beef cattle, citrus fruits) and dairy cattle (diminishing role since deregulation). Piggeries also produce economic outputs in some shires. Timber logging also provides important economic output for the region.
- There is some mining of gold and specialist minerals being undertaken with some potential to expand into coal.
- Regional per capita income is close to the lowest in Queensland.
- Average regional population age among the oldest in the State.
- Close geographic location of most towns. There are major transport linkages between the communities of this region with most towns being on a major highway with the exception of Mount Perry.
- There is no one town that is predominant in the region, the effect being that a significant amount of the retail and commercial activity of residents is conducted outside the region. This further depresses the regional economy.
- The North Burnett region is a natural geographic region with no natural barriers between communities.

3.3 Other

Not applicable.

4. Financial sustainability

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

- Biggenden Shire Council – moderate (neutral);
- Eidsvold Shire Council – weak (developing);
- Gayndah Shire Council – weak (developing);
- Monto Shire Council – weak (developing);
- Mundubbera Shire Council – very weak (negative); and
- Perry Shire Council – moderate (neutral).

It is likely that the amalgamated local government would be rated as weak 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 in respect of service delivery;
- attract, retain and develop skilled staff as well as build capacity of systems; and
- undertake regional planning and infrastructure delivery.

5. Implementation issues

The amalgamated local government will continue to require significant support and access to capacity. It will continue to be heavily dependent on Federal and State Government grants and subsidies and Main Roads contract works. However, the amalgamated local government should make more efficient use of these funds thereby improving the outcomes for the community.

6. Boundary issues

The Commission did not identify any major ongoing boundary issues.

7. Suggestions

The commission gave consideration to the 129 suggestions it received relating to the area recommended for amalgamation as part of the North Burnett Regional Council.

7.1 Details of suggestions

- Biggenden Shire Council, in its suggestion to the Commission, highlights that council is a key element of the community and not merely the provider of services. In addition, council provides significant additional community services and is rated moderate with a neutral outlook by QTC. Council is concerned that amalgamation will have a negative impact on community through the loss of local

employment, reduced population and social capital disintegration.

Council and the community prefer that the boundaries remain unchanged and that resource sharing options are investigated. Its options if it is to be amalgamated are:

- Amalgamate with Gayndah and Perry Shire Councils as it increases rating revenues to \$3.5 million per annum and the population to around 5,000. These local governments are rural and therefore share a similar lifestyle. The concern is a loss of identity, representation and personal contact with council and a likely reduction in service delivery and response times.
 - Amalgamate with Division 1 of Woocoo Shire on the basis that it shares a similar community of interest and lifestyle.
 - Amalgamate with Isis, Gayndah, Perry and Kolan Shires on the basis that there are similar communities of interest and a rural lifestyle with the possible exception of Isis Shire.
- Eidsvold Shire Council, in its suggestion to the Commission, outlines two preferences including retaining the shire with its current boundaries. This suggestion is on the basis that maximum benefits can be obtained by working harmoniously with regional neighbours to optimise service delivery with resource sharing. In addition there will be no job losses or displacements of staff as natural growth will see an increase in jobs.

The alternative is to amalgamate Eidsvold and Perry Shires, including the Cracow Zone of south Banana Shire with six councillors and a mayor. The benefits are the area has similar council communities of interest and common long-term goals. In addition there are unlikely to be job losses.

- Gayndah Shire Council's suggestion to the Commission put forward two preferences including retaining existing shire boundaries. The alternative is a five shire amalgamation including Gayndah, Biggenden, Eidsvold, Mundubbera and Perry Shires which share the

Burnett Catchment area. If this amalgamation is recommended by the Commission, council recommends the existing shire boundaries become divisional boundaries retaining their original names (i.e. Gayndah division, Perry division, etc) with up to three elected representatives per division with a popularly elected mayor.

- Monto Shire Council, in its suggestion to the Commission, proposes amalgamating with the Port Curtis Alliance including Gladstone City and Calliope Shire. The suggestion is based on Monto Shire's community of interest and its economic future lying with the Port Curtis region. In addition the amalgamation offers financial and human resource capabilities that would not be otherwise available to Monto Shire.

Monto Shire suggested that it is represented by at least one elected representative on the amalgamated local government with the amalgamated local government forming a community board to address the issues of Monto Shire residents.

- Mundubbera Shire Council outlines two preferences in its suggestion to the Commission including maintaining current boundaries. The second option is to amalgamate with Gayndah and Eidsvold Shires with no boundary changes citing strong communities of interest and existing shared service arrangements. Council suggests the new local government be divided into divisions along the current shire boundaries with shire names being retained. The residents to be represented by three councillors for Gayndah and Mundubbera divisions and two councillors for Eidsvold with a popularly elected Mayor.
- Perry Shire Council's suggestion to the Commission states a preference to remain a stand-alone local government with minor boundary changes made to include the residents of Wonbah and Boolbundah of the Kolan Shire, citing communities of interest. Council also states that it is preferable for the local governments in the North Burnett region to be given an opportunity to demonstrate that improved financial sustainability can be achieved through resource sharing arrangements as opposed to forced amalgamation.

7.2 Commission's comments on suggestions

- The Commission considered the suggestions of Biggenden, Eidsvold, Gayndah, Mundubbera and Perry Shire Councils to remain as stand-alone local governments and is of the view that this will not position the local governments to be sustainable in the long-term, ultimately affecting their ability to provide residents with the level of local government services required.
- The suggestions by Biggenden, Eidsvold and Mundubbera Shire Councils to amalgamate with one or two other local governments from the North Burnett Region have some merit however they have limited potential to enhance capacity and improve financial sustainability.
- The Biggenden Shire Council suggestion to amalgamate with Division 1 of Woocoo Shire provides limited potential to enhance capacity and improve financial sustainability.
- The Biggenden Shire Council suggestion to amalgamate with Gayndah, Perry and Kolan Shires has some merit and is consistent with Kolan Shire's preferred suggestion if it is to be amalgamated. However, the Commission is of the view that Kolan Shire Council's (rated by QTC as very weak) community of interest and long-term sustainability is best achieved through amalgamation as part of the Bundaberg Regional Council. In addition, the Commission considers that such an amalgamation is of limited benefit to the North Burnett region as it will result in multiple local governments in a relatively small region of the State.
- Gayndah Shire Council's alternate suggestion to amalgamate five local governments which share the North Burnett catchment area has merit in that it is the scenario that comes closest to addressing the Commission's Terms of Reference.
- The Commission notes the reasons for Monto Shire Council's suggestion to be part of an amalgamation that includes both Gladstone City and Calliope Shire. However, the Commission considers that Monto Shire's community of interest is with the North Burnett region.

- The Commission considered Perry Shire Council’s suggestion to amend boundaries to include the residents of Wonbah and Boolbundah of the Kolan Shire based on communities of interest. However, the Commission considers this change may introduce complexity in transition to the new regional entities. Therefore, the Commission recommends the retention of the whole of Kolan Shire in the Bundaberg Regional Council.

8. Other Commission considerations

While the Commission recommends the amalgamation of the six local governments of the North Burnett region, it believes that this regional local government will need assistance from the State Government with respect to capacity building. Matters of concern to the new council going forward where engagement with Federal and State Governments would be of assistance include the aged population (around 25 percent older than the State average), the very low per capita income (around 30 percent below the State average), the very narrow industry base and no obvious regional centre.

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.