

Rockhampton Regional Council



1. Recommendation

The Commission recommends:

- (i) the existing local governments of Rockhampton City, Fitzroy Shire, Livingstone Shire and Mount Morgan Shire Councils be abolished and a new council formed based on the combined area of the four existing local governments;
- (ii) the new local government be called Rockhampton Regional Council;
- (iii) the new local government be undivided with 10 councillors and a mayor;
- (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	Rockhampton Regional Council	Rockhampton City Council	Livingstone Shire Council	Fitzroy Shire Council	Mount Morgan Shire Council
Class	Regional	City	Shire	Shire	Shire
Size	18,361 sq km	189 sq km	11,775 sq km	5,905 sq km	492 sq km
Population 2006	103,297	60,499	29,268	10,551	2,979
Population 2026	137,103	65,190	53,728	15,138	3,047
Electors 2007	67,301	39,095	19,307	6,850	2,049
Electoral arrangements	Undivided 10 councillors plus mayor	Undivided 10 councillors plus mayor	Undivided 8 councillors plus mayor	Undivided 8 councillors plus mayor	Undivided 6 councillors plus mayor
Electors per councillor excluding mayor	6,730	3,909	2,413	856	342
Total operating revenue financial year 2006	\$132.4 million	\$79.7 million	\$37.2 million	\$11.9 million	\$3.6 million
Annual capital expenditure financial year 2007 - 2015	\$63.7 million	\$35.5 million	\$21.6 million	\$5.2 million	\$1.4 million
Total assets at 30 June 2006	\$1,356 million	\$764 million	\$462 million	\$90 million	\$40 million
Debt at 30 June 2006	\$82 million	\$49 million	\$29 million	\$3 million	\$1 million
Community equity at 30 June 2006	\$1,269 million	\$700 million	\$427 million	\$85 million	\$38 million

3. Rationale for new local government

3.1 Service delivery, operations and management

The amalgamation of these four 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:

- promote and support major economic development initiatives emerging in the region;
- address workload resourcing difficulties to enhance the prospects of attracting and retaining in-demand skills and expertise required to manage contemporary local government;
- realise economy of scale advantages which facilitate higher quality administration, greater access to technical resources, and an organisation better able to:
 - undertake strategic planning for the expected growth, and assess development proposals to ensure the character and attributes of local areas are maintained;
 - assess development proposals;
 - coordinate the delivery of infrastructure;
 - manage natural resources;
 - undertake social, economic and environmental planning and management activities;
- 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 essential for dealing with the anticipated development in the region. Within this context, significant development over the next 20 years is expected with respect to:

- residential, commercial and industrial property;
- air, road and rail transport infrastructure; and
- tourism.

3.2 Communities of interest

- Rockhampton is the major regional centre for central Queensland with all major educational, health, commercial, government, retail and financial activities being undertaken there. Yeppoon is also a key service centre.
- There are major transport linkages in the region with Rockhampton being the centre for all main road and rail networks.
- Rockhampton is the major secondary and tertiary education centre for central Queensland with a university and TAFE institute.
- The residents of the region travel to Rockhampton for public and private hospitals, specialist medical services and aged care facilities.
- With respect to employment opportunities a significant proportion of total employed people work in Rockhampton – Livingstone (40 percent), Fitzroy (60 percent), and Mount Morgan (30 percent).
- A significant number of jobs in Rockhampton City's services processing and manufacturing sectors are linked to the primary production of the surrounding rural area with beef cattle being the main commodity impacting on Rockhampton (and particularly its abattoir).
- Besides the Rockhampton based industries, the region has some other important industries such as saleyards (Fitzroy at Gracemere), abattoir (Livingstone Shire), Stanwell Power Station (Fitzroy Shire at Gracemere), and tourism (Livingstone) and a minor port (Port Alma).
- Rockhampton has a regional airport which is owned and operated by Rockhampton City Council.
- There are no natural barriers between the communities.

3.3 Other

Mount Morgan Shire Council is rated as very weak with a developing outlook in the Financial Sustainability Review by Queensland Treasury Corporation. However, its inclusion in an amalgamated local government should have no impact on the financial position of the amalgamated local government.

4. Financial sustainability

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

- Rockhampton City Council – moderate (developing);
- Livingstone Shire Council – moderate (developing);
- Fitzroy Shire Council – weak (developing); and
- Mount Morgan Shire Council – very weak (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 inhibit the region's ability to improve its financial sustainability.

A significant issue in assessing Fitzroy Shire Council as weak is the high rate of depreciation which detracts from operating performance. While QTC is not in a position to state that the rate of depreciation is inappropriate, the rate is significantly greater than what is normally observed for local governments.

5. Implementation issues

The Commission recommends the Rockhampton District Saleyards 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 83 suggestions it received in relation to local government areas proposed for inclusion in the Rockhampton Regional Council.

7.1 Details of suggestions

- Rockhampton City Council's preferred option is to amalgamate Rockhampton City with Livingstone and Fitzroy Shire Councils. Rockhampton City Council also details six other possible options in its suggestions to the Commission as follows:
 - Amalgamation of Rockhampton City, Livingstone Shire, Fitzroy Shire and Mount Morgan Shire Councils which is considered straightforward and consolidates the various communities of interest within the regional service centre of Rockhampton. It also includes the industrial growth areas such as the proposed Fitzroy agricultural corridor, the Stanwell Gracemere industrial corridor and the proposed water storage at Rookwood.
 - Amalgamation of Rockhampton City and Livingstone Shire Councils and boundary changes to incorporate southern satellite residential areas (including Gracemere, Stanwell, Alton Downs and Bouldercombe) and the amalgamation of Mount Morgan Shire Council with the residual area of Fitzroy Shire Council.
 - Amalgamation of Rockhampton City, Fitzroy Shire and Mount Morgan Shire Councils and boundary changes to incorporate northern satellite residential areas (including Nerimbera, Glenlee, Glendale, Rockyview and The Caves).
 - Boundary changes to incorporate all satellite residential and industrial growth areas into Rockhampton and the amalgamation of Mount Morgan Shire with the residual area of Fitzroy Shire.
 - Amalgamation of Rockhampton City, Livingstone Shire, Fitzroy Shire, Mount Morgan Shire, Duaringa Shire and Broadsound Shire Councils.
 - Amalgamation of Rockhampton City, Livingstone Shire, Fitzroy Shire, Mount Morgan Shire, Duaringa Shire, Broadsound Shire, Gladstone Shire, Calliope Shire, Banana Shire, Monto Shire and Miriam Vale Shire Councils.

- Livingstone Shire Council believes that it should not be amalgamated as the local population base has a different community of interest to the population base of inland Rockhampton.

Council also suggests the best arrangement is to amalgamate Rockhampton City, Fitzroy Shire and Mount Morgan Shire Councils and the urban fringe areas from Livingstone Shire into a new Rockhampton Council.

In addition, a new Capricorn Coast City Council should be created by transferring part of the coastal areas from the existing Broadsound Shire to the existing Livingstone Shire. Council also suggests that the new Capricorn Coast City Council have six councillors and a mayor.

- Fitzroy Shire Council does not believe that amalgamation with an adjoining local government area will achieve improvements in the delivery of services to the community or will provide a more financially sustainable local government system. Council suggests that reform could be achieved by the provision of shared services or strategic alliances. Council believes that the communities serviced by the local governments of central Queensland are sufficiently independent and diverse and therefore a community of interest across the area does not exist.

Council is seriously concerned about a scenario proposed by Mount Morgan Shire Council to amalgamate with the rural sector of Fitzroy Shire as there is no community of interest between these areas. In addition, QTC's Financial Sustainability Review for Mount Morgan Shire Council does not provide a positive forecast of the organisation to meet its financial commitments.

- Mount Morgan Shire Council's preferred option is to split the four councils of the Capricorn Region into two councils: amalgamate Rockhampton City and Livingstone Shire Councils and adjust Fitzroy Shire's boundary to include Gracemere and Stanwell corridors into Rockhampton City as a single entity; and amalgamate the remainder of Fitzroy Shire with Mount Morgan Shire Councils as a separate entity to be known as Fitzroy South.

Council also suggests that the new Fitzroy South Council have six councillors and a mayor. Council opposes the amalgamation of Rockhampton City, Livingstone Shire, Fitzroy Shire and Mount Morgan Shire Councils.

7.2 Commission's comments on suggestions

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

- The Commission believes that all local governments proposed for amalgamation have strong communities of interest with Rockhampton City.
- The existing local governments 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 development 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.
- Rockhampton is the regional centre with most employed residents of the region working in the city.
- The Commission believes unique and diverse communities, to the extent they exist, do not lose their character by being amalgamated as a local government. Careful planning and management of local areas can retain the attributes and the quality of the living environment which are valued by these communities.
- All towns in the region are in close proximity to each other with major road networks connecting most towns in the region.

With regard to the suggestions received, the Commission offers the following comment:

- The amalgamation of the rural area of Fitzroy Shire and Mount Morgan Shire Councils will not assist in the long-term financial sustainability of this region.

8. Other Commission considerations

- The Commission also considered whether the following local government be included in the amalgamated local government:
 - o Calliope Shire Council; and
 - o Gladstone City Council.

In the future, Gladstone City will be the major centre for the lower Surat Basin due to it being the major rail and deep water port servicing the coal and gas fields. Gladstone City is seen as a hub for employment in commercial, industrial, banking, retail, and health activities for the above local governments as well as Miriam Vale Shire Council and potentially Banana Shire Council. Effectively it is another regional centre.

- The Commission suggests that the Rockhampton Regional Council, the Mackay Regional Council and Isaac Regional Council consider whether it is appropriate to change the local government boundaries with respect to the coastal strip of the current Broadsound Shire.

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.