

Southern Downs Regional Council



1. Recommendation

The Commission recommends:

- (i) the existing local government areas of Warwick Shire and Stanthorpe Shire Councils be abolished and a new local government formed based on the combined area of the two existing local governments;
- (ii) the new local government be called Southern Downs Regional Council;
- (iii) the new local government be undivided with eight councillors and a mayor; and
- (iv) the new local government be classified as a regional local government.

2. Comparison of new and previous local governments

NEW LOCAL GOVERNMENT	PREVIOUS LOCAL GOVERNMENTS		
Name	Southern Downs Regional Council	Warwick Shire Council	Stanthorpe Shire Council
Class	Regional Council	Shire	Shire
Size	7,120 sq km	4,423 sq km	2,697 sq km
Population 2006	32,610	22,085	10,525
Population 2026	35,697	24,133	11,564
Electors 2007	22,318	14,958	7,360
Electoral arrangements	Undivided 8 councillors plus mayor	Divided 12 councillors plus mayor	Undivided 8 councillors plus mayor
Electors per councillor excluding mayor	2,789	1,246	920
Total operating revenue financial year 2006	\$22.8 million	\$11.2 million	\$11.6 million
Annual capital expenditure financial year 2007 - 2015	\$16.4 million	\$9.4 million	\$7.0 million
Total assets at 30 June 2006	\$427 million	\$255 million	\$172 million
Debt at 30 June 2006	\$14.4 million	\$12.7 million	\$1.7 million
Community equity at 30 June 2006	\$404 million	\$237 million	\$167 million

3. Rationale for new local government

3.1 Service delivery, operations and management

- Service delivery improved through realising economies of scale by bringing together
 - planning;
 - managing water, waste and sewerage;
 - managing and maintaining road networks;
 - utilising plant;
 - managing waste; and
 - undertaking core corporate activities including executive and administrative functions, finance, and information technology.
- Increasing the capacity of the local government through a larger asset and revenue base enhances the prospects of the new council attracting, developing and retaining the skills base required to undertake planning for and actively managing the social, economic development and environmental issues across the region.
- The amalgamated local government will have greater capacity to institutionalise knowledge, build pools of skills around core functions and undertake succession planning.
- Enhance the capacity of the new local government to engage with industry and State and Federal Governments in relation to economic development and management of the region.

3.2 Communities of interest

- Warwick is the main service centre for the region although Stanthorpe also supplies significant services. To the extent that services are not available within the existing Stanthorpe Shire, residents would generally travel to Warwick.
- The region is heavily dependent on agriculture with tourism becoming increasingly important.
- Higher order educational and health services are located at Warwick which links communities to that centre.
- While the economy is to a large extent based on agriculture and tourism and industries that support the agricultural industry (eg abattoirs

and wineries), the majority of the population live in Warwick and Stanthorpe.

- All towns in the region are in relatively close proximity to each other with Warwick and Stanthorpe being easily accessible. The maximum travelling time between Warwick and any other town in the amalgamated local government is around one hour. Most towns in the region are either on or close to the New England or Cunningham Highways.
- No natural barriers between the communities.

3.3 Other

Not applicable.

4. Financial sustainability

The Queensland Treasury Corporation Financial Sustainability Review ratings of the local governments are:

- Warwick Shire Council – weak (developing); and
- Stanthorpe Shire Council – moderate (neutral).

The amalgamation of the local governments removes structural inefficiencies that may inhibit the region's ability to improve its financial sustainability going forward.

A significant issue in assessing Warwick 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 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 40 suggestions it received in relation to the Stanthorpe and Warwick local governments.

7.1 Details of suggestions

- Stanthorpe Shire Council in its suggestion to the Commission, strongly opposes amalgamation with one or more local governments. The opposition to amalgamation is based on :
 - detrimental impact on the development of the community;
 - loss of local representation;
 - loss of services which meet the needs of the community;
 - loss of employment opportunities;
 - reduced local government support of local businesses;
 - loss of important community assets;
 - reduced allocation of local government funds toward local projects;
 - loss or downgrading of local services; and
 - potential to lose some or all of the local identity and sense of community.

Stanthorpe Shire Council also highlighted the fact that it is a culturally diverse community, with positive population growth and is financially sustainable. Council provides stable leadership, has a skilled workforce and provides a full range of services to the community.

Stanthorpe Shire Council is opposed to the following amalgamations with:

- Inglewood Shire Council on the basis that there are limited communities of interest, Inglewood is in a very weak financial position and there are no growth management or infrastructure issues on the boundaries of both shires.
- Warwick Shire Council on the basis of distinctly different cultural and social values, different economic drivers, concerns over Warwick's financial sustainability, no planning and growth management advantages and different catchment areas.
- Inglewood Shire and Warwick Shire Councils for the same reasons outlined above.

- Warwick Shire Council is opposed to amalgamation on the basis that:
 - The present shire is the result of the amalgamation of four local governments in 1994 and does not want to see its residents subjected to a similar amalgamation process.
 - Council has an extensive range of professional staff providing a range of services outside of what is expected from a traditional local government.
 - Council has always been committed to regional groupings for resource cost and intelligence sharing.
 - Warwick essentially forms the Condamine River catchment area.
 - It sees value in the shared service model.

Warwick Shire Council in its suggestion to the Commission, offered the following comments with respect to potential amalgamation partners:

- Amalgamation with Inglewood Shire is opposed on the basis of distance and no benefits however it understands that Inglewood will continue to struggle financially. In addition there is a community of interest with Warwick being the regional centre. If this Council is amalgamated with Warwick Shire, Warwick Shire would work with the Inglewood Shire community to provide the required level of services.
 - Amalgamation with Stanthorpe Shire is opposed on the basis of differences in culture, absence of shared community interest and different river catchment areas. The view is that amalgamation would act to the detriment of both communities.
 - Amalgamation with Stanthorpe Shire and Inglewood Shire is opposed for similar reasons.
 - Amalgamation with Clifton Shire would be accepted. The Clifton Shire community has a preference to join Warwick Shire if its preference for a Condamine Shire (including Millmerran Shire, Pittsworth Shire, Cambooya Shire and Clifton Shire Councils) is not recognised by the Commission.
- Clifton Shire Council, in its suggestion to the Commission proposes the formation of a Condamine Shire incorporating Clifton Shire, Pittsworth Shire, Millmerran Shire and part

of both Cambooya Shire and Jondaryan Shire Councils. Its main concern is the formation of a Toowoomba super council which Clifton Shire considers will be to the detriment of these small communities. Clifton Shire does not support amalgamation with Warwick Shire Council.

7.2 Commission’s comments on suggestions

The Commission considered all suggestions, and while acknowledging both Stanthorpe and Warwick Shire Councils’ representations, the Commission recommends the amalgamation on the basis that:

- The existing shires 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.
- Warwick is the regional centre for all those in the two shires who cannot obtain higher order education, health, financial and commercial services from other closer towns in the region.
- Unique and diverse communities do not lose their character by being amalgamated as a local government. Careful planning and management of local areas can retain the particular attributes and distinctive character valued by the inhabitants of that locality.
- Close geographic proximity to each other.
- There is a community of interest around agricultural enterprises which is the pre-eminent activity in both shires with both local governments experiencing tourism growth.
- Major road networks connect most towns in the region.

8. Other Commission considerations

The Commission also examined the possibility of:

- a two-tiered approach to local government in the region;
- the amalgamation of Inglewood Shire and Stanthorpe Shire Councils;
- the amalgamation of Inglewood Shire, Stanthorpe Shire and Warwick Shire Councils; and
- the amalgamation of Goondiwindi Shire, Waggamba Shire, Inglewood Shire, Stanthorpe Shire and Warwick Shire Councils.

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.