

# Sunshine Coast Regional Council



## 1. Recommendation

### The Commission recommends:

- (i) the existing local governments of Caloundra City, Maroochy Shire and Noosa 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 Sunshine Coast Regional Council;
- (iii) the new local government be undivided with 12 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	Sunshine Coast Regional Council	Caloundra City Council	Maroochy Shire Council	Noosa Shire Council
Class	Regional	City	Shire	Shire
Size	3,126 sq km	1,094 sq km	1,163 sq km	869 sq km
Population 2006	290,026	92,419	149,051	48,556
Population 2026	473,727	165,883	249,412	58,432
Electors 2007	187,715	60,110	96,020	31,585
Electoral arrangements	Undivided 12 councillors plus mayor	Divided 10 councillors plus mayor	Divided 12 councillors plus mayor	Divided 9 councillors plus mayor
Electors per councillor excluding mayor	15,642	6,011	8,001	3,509
Total operating revenue financial year 2006	\$356 million	\$100 million	\$184 million	\$72 million
Annual capital expenditure financial year 2007 – 2015	\$137 million	\$37 million	\$83 million	\$17 million
Total assets at 30 June 2006	\$3,318 million	\$963 million	\$1,536 million	\$819 million
Debt at 30 June 2006	\$286 million	\$96 million	\$148 million	\$42 million
Community equity at 30 June 2006	\$2,970 million	\$851 million	\$1,352 million	\$767 million

### 3. Rationale for the new local government

This region presents particular challenges to the Commission, in that it includes three functioning councils with moderate to strong financial performance that might suggest no need for change, but have demonstrably common communities of interest. The region also contributed the bulk of the suggestions received by the Commission, indicating the depth of feeling that exists within the regional community regarding its future governance. The diverse Commission views on the best local government arrangement for the Caloundra, Maroochy and Noosa areas with regard to meeting the objectives of the Act and satisfying the Terms of Reference were debated. Of all the options, amalgamation of the three councils is recommended as it is considered to provide the optimum outcome for the future delivery of services and the overall sustainability of local government in the region, by removing structural inefficiencies.

#### 3.1 Service delivery, operations and management

In addressing the local government reform Terms of Reference in relation to South East Queensland, the Commission sought to ensure enhanced governance and planning capability to manage the region's future urban growth, consistent with the South East Queensland Regional Plan.

The Commission bases its recommendation to amalgamate the three local governments on the following points:

- The Sunshine Coast is a self-contained region geographically, socially and economically.
- The combined population and the significant level of projected population growth (estimated to grow by 63 percent or 184,000 between 2006 and 2026) requires a local government that must deliver:
  - quality regional strategic planning;
  - robust financial performance combined with sound governance;
  - efficient and effective service provision;
- efficient and cost effective asset acquisition and management; and
- infrastructure planning, financing, construction and management that recognises the diversity of the region and the aspirations of the various communities.
- The region has many important environmental, scenic and recreational amenities and is a major local, national and international tourist destination. The maintenance and management of these attributes and facilities have evolved in ways that are both different because of council philosophies, but similar because of the need to provide protection of the environment and the amenity of the area for residents and visitors alike. These are amenities which are important to each of the existing local governments and in the Commission's view, are best managed on a regional basis to ensure the actions of one council do not compromise the environmental quality or amenity of its neighbour.
- The local governments share a number of cross-border interests including:
  - upgrading, managing and maintaining the performance of the transport network;
  - water cycle management;
  - tourist industry support and promotion;
  - economic development initiatives; and
  - the coordinated management of national parks and other scenic reserves.
- The Sunshine Coast Airport with direct daily flights from Sydney, Melbourne and Brisbane and the potential for shorter-haul international flights, provides a gateway to the Sunshine Coast's many holiday destinations and is a major economic and tourist asset. Currently it is owned and operated by Maroochy Shire Council. The amalgamation of these three local governments will provide greater financial and risk management capability to optimise the value of this airport to the region.
- The region currently has a hierarchy of well defined commercial and retail centres with a regional local government being better able to maintain this hierarchy so as to avoid duplication of facilities, and oversupply of functions which leads to urban blight.

- The integration of the three separate Local Growth Management Strategies currently in preparation, into a single strategic document will be a major benefit as the needs of the various small communities across the region can be identified and recognition given to their special characteristics. Having a common planning scheme and a common Local Growth Management Strategy is not expected to result in individual communities losing their identity and character. Rather, the qualities that distinguish these localities can be better fostered because of the capacity to accommodate diversity within the region. Concerns expressed regarding the differences in development policies between the three councils, especially Caloundra and Maroochy when contrasted with Noosa, are noted. However, for the time being, existing planning schemes provide the protection necessary to allay community fears regarding inappropriate development. There are many examples from the hinterland through to the coast in the three current local government areas of how these planning schemes have operated to provide that very protection. The Commission highlights the need for the amalgamated council to continue to exercise its planning powers so that community expectations relating to maintenance of the diversity and amenity of the various distinct communities within the region are met.
- While Maroochy and Caloundra Shires could together have sufficient population and geographic size to be a viable sub-regional level of local government, it is questionable if Noosa would be able to achieve sub-regional economic and growth management outcomes as a stand-alone local government without close collaboration with the other two councils. This close collaboration and assistance is required to ensure optimal outcomes with respect to:
  - ensuring the consistent management of the diverse environmental, scenic and recreational amenities;
  - managing transport networks;
  - optimising the value of Maroochy Airport to the region; and
  - controlling residential, commercial and industrial development.

Without amalgamation of the three councils, there can only be duplication and added costs

for the residents of the Sunshine Coast in responding to what are demonstrable regional needs arising out of the interdependencies that exist across the area.

In summary, the amalgamation of these three local governments results in an organisation of a scale and capability to:

- Promote and support major economic development initiatives emerging in the region.
- Obtain economy of scale advantages which facilitate higher quality administration, greater access to technical resources and an organisation better able to:
  - undertake strategic planning;
  - assess development proposals;
  - provide infrastructure;
  - manage natural resources; and
  - undertake social, economic and environmental planning and management activities.
- Provide the necessary political leadership and advocacy capability, as well as being of sufficient size, and commanding financial and technical resources to successfully address the issues of land use, natural resource management, environmental enhancement, economic and social development.

### 3.2 Communities of interest

- There is a common economic interest across the region with domestic tourism being the mainstay for the service oriented industries in the region.
- There are no clear geographic barriers between each of the current local government areas.
- The region is known and promoted nationally as the Sunshine Coast.
- There is an economic interdependency of industries and businesses in each of the local governments. The economic output of the region would be significantly reduced without this interdependency.
- Sunshine Coast Airport (located in Maroochy Shire) with direct daily flights from Sydney, Melbourne and Brisbane (with the potential for shorter-haul international flights) provides the gateway to the region.

- There are major transport links between all communities within the region with residents and visitors alike travelling across existing boundaries constantly for work, shopping or recreation purposes.
- The road and rail network links the region with Brisbane and other areas of South East Queensland with planned future extensions to the rail system reinforcing intra-regional links.
- Tourism is best promoted on a regional basis due to greater coverage for the money spent and the ability to compare and contrast the diverse attractions of the region.
- While the importance of tourism is common across the region, so too is the importance of “sea-change” and “tree-change” population shift. This phenomenon is accompanied by a high prevalence of holiday home owners who live outside of the region but maintain their homes for personal use rather than as holiday rentals.

### 3.3 Other

Not applicable.

## 4. Financial sustainability

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

- Caloundra City Council – moderate (developing);
- Maroochy Shire Council – strong (neutral); and
- Noosa Shire Council – strong (developing).

It is likely that the amalgamated local government would be rated as strong with a developing outlook.

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

## 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 817 suggestions it received in relation to the Sunshine Coast.

### 7.1 Details of suggestions

- Noosa Shire Council opposes amalgamation of any sort and outlines the reasons as follows:
  - rated strong with a developing outlook by QTC as part of the Size Shape Sustainability process;
  - Council promotes low-rise, environmentally friendly, village scale development which cannot be guaranteed in any amalgamation scenario;
  - dilution of the ‘Noosa’ brand which contributes \$900 million annually to the Queensland economy through a niche market rather than a mass market;
  - no communities of interest with Maroochy and Cooloola Shires and Caloundra City; and
  - representation for Noosa residents would be diminished with only one sixth representation if amalgamated with Maroochy Shire and Caloundra City.

Noosa Shire also suggests that any efficiency gains from amalgamation could also be achieved through other models such as shared services.

Noosa Shire does propose a change to its southern boundary with Maroochy to include in the Shire the townships/areas of Eumundi, Verrierdale, Doonan, Weyba Downs and Peregrin Springs. Council suggests that these townships share a community of interest with Noosa Shire.

- Maroochy Shire Council suggests that it is sustainable in its own right and could continue on a stand-alone basis. However, if forced to amalgamate, it suggests amalgamating with

Caloundra City and Noosa Shire on the basis that the amalgamation will:

- effectively manage the key planning issues associated with the development of the State;
- deliver outcomes in a manner that is consistent with the South East Queensland Infrastructure Plan;
- be responsive to the shared interest of the various hinterland and coastal communities;
- consolidate natural resource management boundaries;
- enhance relationships with other levels of government;
- maximise strategic planning, funding and asset management;
- establish responsive governance;
- provide strong and consistent leadership;
- eliminate duplication; and
- successfully balance consistency in planning with flexibility to preserve and enhance the distinctive nature and character of the various communities.

Maroochy Shire recognises that the amalgamation proposed will cause some community dissent and create concerns amongst staff. However it believes this pain will be short to medium-term.

- Caloundra City Council's preferred option is to remain a stand-alone local government albeit with a clear requirement to improve regional cooperation and collaboration. Its second option is amalgamation and, if this is to occur, it must include the three Sunshine Coast local governments. This preference is based on the 'Sunshine Coast' name being a highly recognised entity nationally and any artificial attempt to reduce the size of the amalgamation would ignore the factual base of the region from both geographic and community of interest perspectives.
- The majority of suggestions received from residents and community groups within Noosa Shire oppose the amalgamation of Noosa with other local government areas. Notably, many suggestions from people who reside outside Noosa sought to have their locality combined with Noosa Shire based on claims of common

communities of interest. Such requests came from residents of Coolum, Peregian Springs, Weyba, Eumundi, Doonan and Verrierdale in the Maroochy Shire and from the Traveston area of Cooloolool Shire.

- A feature from this area was the widespread promotion of letter-writing campaigns by Noosa Shire Council, local Noosa-based organisations and residents groups. 31,929 form letters or postcards were received from individuals, many opposing amalgamation of Noosa Shire with other areas, or promoting the inclusion of surrounding areas with Noosa Shire.

## 7.2 Commission's comments on suggestions

The Commission considered all suggestions received.

On Noosa Shire's suggestion to remain a stand-alone local government, the Commission is of the view that:

- Financial sustainability is only one of the many aspects that define sound local government.
- Local government is required to be responsive to the will of its constituents. In this regard, there is no reason to suggest the new council would not comprise representatives who have a vision for the region that protects the environmental quality upon which the region's tourism is based and ensure development is managed so as to conserve the inherent qualities of Noosa.
- Maroochy Shire in its suggestion to amalgamate the three Sunshine Coast local governments, recognises the need to maintain the distinctive nature and character of the region's various communities. Evidence of Maroochy Shire's commitment to preserving the distinctive nature and character of communities is obvious when the diversity of settlement throughout that shire is examined. The Blackall Range villages of Montville, Mapleton and Flaxton; the small country towns such as Kenilworth and Yandina; even the areas of Eumundi, Verrierdale, Weyba, Doonan, Peregian Springs and Coolum; and the thriving inland town of Nambour all provide examples of how, through a careful approach

to development, an area's natural and built environment can provide for diversity, and the quality of life of the inhabitants protected.

- Iconic names and brands are not diminished in any way through amalgamation and can be enhanced through a larger organisation being able to promote this name and/or brands within a wider market. The notion that Noosa is a tourism icon is not disputed by the Commission. However, the Noosa Shire Council is not iconic and it is unlikely that any visitors to the shire would have any interest in, or contact with, the council in the normal course of their holiday visit.
- There are compelling communities of interest across the region, in particular:
  - the various features and amenities that attract tourists to the region are not defined in any way by local government boundaries (visitors to Maleny (Caloundra City), Montville (Maroochy Shire) and Tewantin (Noosa Shire) are unlikely to notice that they have crossed a council boundary);
  - local residents commute across local government areas in the region for the purposes of employment, shopping and recreation;
  - the Airport (owned and operated by Maroochy Shire) which is integral to tourism in the region including for visitors to Noosa Shire;
  - the "sea-change" and "tree-change" lifestyle of many residents across all three local governments; and
  - strong transport, commercial, financial, educational, health and retail linkages across the region.
- Representation may be reduced in terms of the number of voters per councillor but the quality of representation will be determined, as always, by the voters at each election.
- Given the recommendation of the Commission that the new regional council be elected on an undivided basis, the expectation is that the make up of the new council will not be determined by the relative population of the existing local government areas but by the issues that impact on voters; including the quality of the living environment they want for their communities within the Sunshine Coast region.
- While shared service arrangements can play a useful role in local government, the Commission's concern is that these arrangements have been available to local governments for many years and their use is, at best, sporadic. Clearly, some of these arrangements can be successful but they generally focus on improving the efficiency of local government. The Commission is also critically concerned with the effectiveness of local government and it is in this area that the proposed amalgamation of the three Sunshine Coast local governments can be expected to deliver most value.
- Noosa Shire's proposal to extend its boundaries to include various Maroochy Shire towns including Eumundi is overtaken by the Commission's recommendation to amalgamate the three local governments.
- Maroochy Shire suggests that it has the capacity to stand-alone as a local government. The Commission does not dispute this view. However, the Commission agrees that Maroochy Shire's rationale for amalgamating the three local governments is compelling and is consistent with the rationale used by the Commission in section 3.
- Caloundra City also suggests that it remains a stand-alone local government. While the Commission agrees that Caloundra City has the capacity to stand-alone, it believes that the advantages resulting from the amalgamation of the of the three local government areas provides the better outcome. The Commission agrees with Caloundra City's suggestion that the amalgamation must include the three Sunshine Coast local governments based on both geographic and community of interest perspectives and any attempt to operate on a lesser scale would be artificial, as co-operation by Noosa would be required on almost all infrastructure planning and growth management discussions. This would involve establishing coordination committees and other mechanisms with Noosa and a combined Caloundra/ Maroochy local government to achieve a

complementary approach to cross border issues such as water and transport infrastructure. This creates unnecessary additional costs and can result in ineffective management of issues where the councils cannot agree

- The campaign of form letters and postcards mounted against amalgamation of Noosa Shire (or from areas wanting to be included in Noosa Shire) is noted by the Commission. The sentiment of the community's strong identification with a sense of place is understood, but the content in the form letters and postcards provided little guidance to the Commission in relation to the Terms of Reference that guided its work.

## 8. Other Commission considerations

There are no other considerations.

## 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.