

Townsville City Council



1. Recommendation

The Commission recommends:

- (i) the existing local governments of Townsville City and Thuringowa City 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 Townsville City Council;
- (iii) the new local government be undivided with 12 councillors and a mayor; and
- (iv) the new local government remain classed as a city local government.

2. Comparison of new and previous local governments

NEW LOCAL GOVERNMENT	PREVIOUS LOCAL GOVERNMENTS		
Name	Townsville City Council	Townsville City Council	Thuringowa City Council
Class	City	City	City
Size	3,733 sq km	1,867 sq km	1,865 sq km
Population 2006	164,008	102,936	61,072
Population 2026	220,136	126,908	93,228
Electors 2007	99,598	62,169	37,429
Electoral Arrangements	Undivided 12 councillors plus mayor	Divided 10 councillors plus mayor	Divided 10 councillors plus mayor
Electors per councillor excluding mayor	8,299	6,216	3,742
Total operating revenue financial year 2006	\$228 million	\$164 million	\$64 million
Annual capital expenditure financial year 2007 - 2015	\$97 million	\$56 million	\$41 million
Total assets at 30 June 2006	\$1,806 million	\$1,321 million	\$485 million
Debt at 30 June 2006	\$11.9 million	\$11.9 million	Nil
Community equity at 30 June 2006	\$1,738 million	\$1,265 million	\$473 million

3. Rationale for the new local government

3.1 Service delivery, operations and management

- In addressing the local government reform Terms of Reference from a growth management perspective, the Commission sought to ensure a governance and planning capability for this region that will be experiencing considerable economic expansion and urban development.

The amalgamation of these two 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;
 - undertake the planning and coordinate the delivery of services and infrastructure for the expected growth;
 - develop an integrated approach to natural resource management;
 - ensure sound environmental management;
 - provide the necessary political leadership and advocacy capability (to engage with State and Federal governments and major companies) to address the land use, natural resource, environmental, economic and social challenges associated with growth anticipated in this region; and
 - obtain economy of scale advantages which facilitates higher order administration, governance, greater access to technical resources, and an organisation better able to undertake social development and environmental management activities.
- This larger and better resourced local government will be essential for dealing with large scale economic developments. Within this context, significant development over the next 20 years is expected with respect to:
 - residential, commercial and industrial property;

- sea, air, road and rail transport infrastructure;
- processing smelters and refineries; and
- tourism.

3.2 Communities of interest

- The economies of both cities are inextricably linked. Together, the two cities make up a large diverse, regional city with a major army base, a large university (James Cook University), a major hospital linked to the university, a large airport used commercially and by the defence forces, a number of smelters or refineries, a regional sea port (Port of Townsville), and a service centre for north Queensland.
- Townsville (combined Townsville and Thuringowa) is the major regional centre for north Queensland where all major educational, health, commercial, government, retail and financial services are located.
- There are major transport linkages in the region with Townsville being the centre for all main road and rail networks.
- Thuringowa is a dormitory area for Townsville with 65 percent of employed people working in Townsville City. Unlike Townsville City, it does not have a city centre.
- Essentially the 'brand' name for the area is Townsville.
- No natural barriers between Thuringowa and Townsville
- The City is the basin for Ross River.
- Currently both cities share bulk water and bulk water treatment facilities.

3.3 Other

Not applicable.

4. Financial sustainability

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

- Townsville City Council – moderate (neutral); and

- Thuringowa City Council – moderate (neutral).

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

The amalgamation of the local governments removes structural inefficiencies that may affect the ability to improve financial sustainability.

The combined local government will have a greater capacity to improve its financial sustainability through its ability to:

- achieve economies of scale;
- attract, retain and develop skilled staff as well as build capacity of systems;
- undertake regional planning and infrastructure delivery; and
- manage the development of what is (in its totality) a regional city.

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.

7.7 Suggestions

The Commission gave consideration to the 343 suggestions it received in relation to Townsville and Thuringowa.

7.1 Details of suggestions

- Townsville City Council opposes amalgamation with any other major local governments in the region and believes this view is supported by:
 - having been reviewed for amalgamation with Thuringowa City in 1994;
 - being involved in numerous regional arrangements;
 - having significantly different communities of

interest;

- being unlikely to benefit from regional planning;
- having natural resource management areas which are too large to benefit through local government merger;
- being unlikely to improve financial sustainability;
- being likely to lose representation; and
- existing excellent service provision.

In addition, any amalgamation is likely to result in huge costs and significant community disturbance.

Council suggests that the Commission consider the following:

- improve existing joint arrangements between Townsville City and Thuringowa City to improve the effectiveness of arrangements;
- establish a Regional Planning Advisory Committee to develop a North Queensland Regional Plan;
- develop an integrated regional water strategy with Thuringowa and transfer wastewater treatment assets to NQ Water (a joint local government between Thuringowa City and Townsville City); and
- implement a regional strategic alliance for the management and delivery of shared services amongst North Queensland Regional Organisation of Councils (NQROC).

Council is opposed to:

- forming a regional super council from six north Queensland local governments – far too large and diverse which would rob smaller regions of effective representation; and
- amalgamating with Thuringowa City – both local governments are too large to achieve economies of scale and they are distinct communities.

If amalgamation process is forced on Townsville City, then it would prefer to merge with Thuringowa City as opposed to a ‘super council’ amalgamation.

- Thuringowa City Council's suggestion opposes any forced amalgamation. However it did comment on two proposals:
 - Council is opposed to amalgamating the six NQROC local governments to form a regional super council on the basis that the outcome would deny representation to these communities.
 - Amalgamating with Townsville City would be to the detriment of local communities and similar benefits can be achieved in a more cost-effective and less disruptive manner through strategic alliances and joint arrangements with member local governments of NQROC group.

Council also provided the following reasons for not amalgamating:

- both local governments have already been reviewed for amalgamation in 1994 which showed no benefit could be achieved by amalgamation that could not be achieved through continued joint arrangements or strategic alliances;
 - council is already involved in numerous successful regional arrangements;
 - competition within local government is healthy and is for the betterment of the region; and
 - costs result from amalgamations - lost production, housing issues, depot relocations and system integration have the potential to significantly increase rates.
- The Commission noted the considerable support for a Townsville/Thuringowa amalgamation in suggestions from both individuals and organisations in the area.

7.2 Commission's comments on suggestions

The Commission considered Townsville City and Thuringowa City Councils remaining as individual local governments. However, the Commission is of the view that such a recommendation would not position the City of Townsville to meet its future economic and social challenges as the major city for north Queensland. The Commission believes

that there is no reason why such an important, major Queensland city should be artificially split by a local government boundary.

In addition, the Commission considers that there are:

- compelling communities of interest between the local government areas with interdependencies that make the two areas almost indistinguishable;
- significant benefits and cost efficiencies to be realised in undertaking planning and management on a whole of city basis; and
- 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.

The Commission considers the commentary put forward in the suggestions by Townsville and Thuringowa regarding the numerous joint arrangements to deal with such matters as planning, water, waste management and transport, provides the most compelling reason for amalgamation. The citizens of Townsville and Thuringowa are not well served by incurring the additional cost involved and the administrative complexity associated with establishing and maintaining co-ordinating mechanisms for what is a single urban system. Furthermore, residents suffer when decisions are delayed or deferred due to the respective jurisdictions being unable to agree. While a co-operative spirit may be evident at present there is no guarantee this will exist in perpetuity, again providing a sound reason to address the structural inefficiency of the current arrangement.

While shared services arrangements can be valuable in certain circumstances, they are not considered a substitute in instances where more direct and cost effective administration is achieved by reforming structural arrangements. The Commission's more detailed response to the shared services/integrated services model can be found in Part 4.5 of its report.

8. Other Commission considerations

The Commission also recommends NQ Water, which is a separate legal entity under Chapter 2A of the *Local Government Act 1993*, be abolished and its functions assumed by the amalgamated local government.

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.