

# Whitsunday Regional Council



## 1. Recommendation

### The Commission recommends:

- (i) the existing local governments of Whitsunday Shire and Bowen Shire Council 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 Whitsunday 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	Whitsunday Regional Council	Whitsunday Shire Council	Bowen Shire Council
Class	Regional	Shire	Shire
Size	23,856 sq km	2,679 sq km	21,177 sq km
Population 2006	30,719	18,090	12,629
Population 2026	45,982	30,715	15,267
Electors 2007	17,319	9,687	7,632
Electoral arrangements	Undivided 6 councillors plus mayor	Divided 7 councillors plus mayor	Divided 8 councillors plus mayor
Electors per councillor excluding mayor	2,886	1,383	954
Total operating revenue financial year 2006	\$48.8 million	\$27.6 million	\$21.2 million
Annual capital expenditure financial year 2007 - 2015	\$34.5 million	\$26.3 million	\$8.2 million
Total assets at 30 June 2006	\$451.7 million	\$264.1 million	\$187.6 million
Debt at 30 June 2006	\$33.0 million	\$24.7 million	\$8.3 million
Community equity at 30 June 2006	\$407.9 million	\$231.8 million	\$176.1 million

## 3. Rationale for the new local government

### 3.1 Service delivery, operations and management

- Enhanced capacity to undertake regional planning for a key coastal region of Queensland and managing environmental issues associated with the Great Barrier Reef, the agricultural hinterland and for the coal and mineral province centred on the Bowen Basin. This local government faces a series of challenges including:
  - managing an environmentally sensitive coastal zone;
  - ensuring continued productivity within its diverse and vibrant agricultural sector,
  - nurturing and appropriately regulating an emerging aquaculture industry; and
  - ensuring environmental management of coal and potential mineral extraction activity.
 Sound planning and resource management policies will be required if optimum outcomes for the community are to be realised.
- Service delivery improved through economies of scale around:
  - regional strategy and planning;
  - managing water, waste and sewerage;
  - managing and maintaining road networks;
  - utilising plant; and
  - undertaking core corporate activities including executive and administrative functions, finance, procurement and information technology.
- Increasing capacity through a larger asset and revenue base that improves the prospects of the new council attracting, retaining and better developing the skills base required to undertake the activities of a local government.
- Amalgamating the two local governments offers the potential to improve the quality of governance.
- Strengthening the ability of the new local government to engage with industry and State and Federal Governments in relation to tourism, environmental issues, economic development, management of the road network and water, waste and sewerage issues. In this regard:
  - The upper Bowen Basin (mainly Bowen Shire) is currently being prospected to determine the commercial viability of its mineral reserves. If there are significant commercial reserves, the local government will have the capacity or have access to capacity to ensure the optimal outcome for the residents of the regional local government.
  - Whitsunday Shire Council has \$3,000 million of development projects currently under construction or with planning approval. It is likely that this region will continue to be subject to heavy tourism and associated infrastructure development. In this regard it is essential that the local government has the capability to ensure the development is consistent with regional planning and environmental objectives.

### 3.2 Communities of interest

- Residents travel between the two shires for leisure and entertainment, fresh seafood (Bowen is the centre of operation of a significant fishing fleet), health (Proserpine Hospital provides certain services to the residents of Bowen shire) and TAFE education.
- Education, health, commercial, government, retail and financial services are located at Proserpine and Bowen. To the extent they are not available in these towns, residents of Whitsunday Shire are likely to travel to Mackay, while Bowen residents are equally likely to travel to Townsville or Mackay.
- Both shires have a common and increasing focus on the attraction of tourism and tourism associated development, to a large extent linked to the Great Barrier Reef.
- Proserpine (Whitsunday Shire) has daily flights to Brisbane and weekly flights to Sydney and Melbourne. Residents of Bowen Shire may also access Townsville Airport which has multiple daily flights. Whitsunday residents may also access Hamilton Island Airport and Mackay Airport which has multiple daily flights.

- Strong transportation linkages with the rail network (mainly used by tourists) and the Bruce Highway running through both Bowen and Proserpine towns.

### 3.3 Other

- The regional economy is reasonably diverse with a strong tourism presence, significant vegetable production (Bowen is the largest vegetable growing region in Queensland), sugar and sugar processing in the present Whitsunday Shire, large coking coal mines at Newlands and Collinsville, a significant port facility at Abbott Point, growing aquaculture industry centred on Bowen, and the potential for further commercial mining if current prospecting reveals suitable deposits.
- If a proposed rail link between Newlands and Goonyella is approved, the size of the Abbott Point Port will require significant expansion to handle increased throughput. Abbott Point Port is also likely to grow if commercial mineral reserves are located and mined in the Bowen, Townsville, and Mount Isa mineral province.

## 4. Financial sustainability

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

- Whitsunday Shire Council – moderate (developing); and
- Bowen Shire Council – weak (developing).

Amalgamating these local governments removes structural inefficiencies. It is likely that the amalgamated local government would be rated as moderate with a developing outlook.

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

- improve economies of scale;
- attract, retain and develop skilled staff as well as build capacity of systems; and
- undertake regional planning and better coordinate infrastructure delivery. It will also

allow a more coherent approach to regional development and the management of the natural environment and its land, mineral and water resources.

## 5. Implementation issues

The Commission did not identify any specific issues relating to the formation of the new local government area.

## 6. Boundary issues

No major issues were identified.

## 7. Suggestions

The Commission gave consideration to the 39 suggestions it received in relation to Whitsunday and Bowen.

### 7.1 Details of suggestions

Whitsunday Shire Council's preferred suggestion is for the shire boundaries to remain unchanged as the current boundaries define a vibrant economy supported by tourism and sugar cane production. Council has been rated moderate with a developing outlook by QTC adding further testament that it is financially sustainable in the medium to long-term with extensive infrastructure development and strong population growth forecasts.

However, council believes change is likely and that shire boundaries remaining unchanged is optimistic and offers the following alternatives:

- Boundary adjustments with Mackay City Council. By including in Whitsunday Shire Bloomsbury, Midge Point, Laguna Quays and other geographical areas as far south as Elaroo as well as all the offshore islands in this area there would be greater synergy. Council also cites communities of interest of residents in these areas with Whitsunday Shire including:
  - sugar cane farmers as far as south Elaroo deliver their harvest to Proserpine Mill; Proserpine is the commercial centre for residents of these areas;

- police, fire and ambulance services to these areas are provided by Proserpine due to the closer proximity compared to Mackay City; and
- offshore islands are accessed by Mackay City staff through Shute Harbour.
- Amalgamation with Bowen Shire Council on the basis that:
  - there are many interdependencies and communities of interest between Bowen and Whitsunday residents in accessing commercial and community services available in Proserpine and Bowen; and
  - the inclusion of Bowen and north Mackay to Whitsunday Shire would allow greater connectivity between the current users of water from the Peter Faust Dam leading to economies of scale in the extraction of water and water treatment.
- Amalgamation with Mackay City Council, while inevitable if the Commission moves to super councils is not favoured, as it will result in:
  - loss of identity of the Whitsunday region;
  - loss of representation for residents of Whitsunday;
  - failure to deliver the required level of infrastructure; and
  - lowering the standard of road networks and general presentation of the shire.
- Bowen Shire Council suggests that its residents' interests are best served by remaining a stand-alone council citing:
  - the turn around achieved through good governance, responsible fiscal and resource management and visionary planning that has led to Bowen transforming from a distressed council in 1997 to a weak developing council in 2007;
  - internal reform through the reduction of councillors from 11 to nine and divisions from four to three;
  - various State Infrastructure Projects such as the Coal Rail project, Abbot Point Coal Terminal expansion, Water for Bowen project, power transmission, Cerito Road construction and Sonoma Coal – Collinsville, reaffirming the State Government's position to have Bowen become a major economic powerhouse in the future; and

- the numerous commercial and residential developments which facilitate population growth of up to 30,000 in the region.

However as a last resort, if deemed necessary, council suggests that it will evaluate the benefits and issues of an amalgamation of the whole of Bowen Shire with Whitsunday Shire Council.

Council also states that it is opposed to forced amalgamations and could not accept any attempt to be amalgamated with Mackay City Council.

## 7.2 Commission's comments on suggestions

- The Commission considered Bowen Shire and Whitsunday Shire Councils remaining as individual local governments. However, the Commission is of the view that such a recommendation would not position these local governments to meet the future economic and social challenges of this increasingly important region in the context of expected expansion in tourism, mining, agriculture and aquaculture sectors. This will require sound environmental and resource management policies to be applied across the region and a well coordinated infrastructure plan. It is essential that the local government is of a scale and size which gives it the advocacy capacity to engage and negotiate effectively with State and Federal governments and the private sector if residents of the region are to obtain the optimal outcomes from the investment in projects and infrastructure, and the environmental impacts are to be properly managed. The Commission considers this is best achieved through the amalgamation of these local governments given the already high level of interdependency between the two.
- The Commission considered amending shire boundaries to include part of the existing Mackay City in the Whitsunday Regional Council boundaries. While the Commission considers that this has merit it is uncertain as to whether the community of interest of this part of Mackay City best fits with the Whitsunday Regional Council, and as such prefers to adhere to the principle (as expressed in its Terms of Reference) of including whole local government areas in amalgamations.

- With respect to amalgamating Whitsunday Shire with Mackay City Councils, the Commission is of the view that a larger local government area would lack a common community of interest principally because the main towns of Ayr and Home Hill have much in common with Townsville than with Bowen or Proserpine.

## 8. Other Commission considerations

The Commission also considered amalgamating Burdekin Shire with Whitsunday Shire and Bowen Shire but decided against amalgamation on the basis that community of interest considerations are not as compelling as they are for the amalgamation of Whitsunday Shire with Bowen 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.