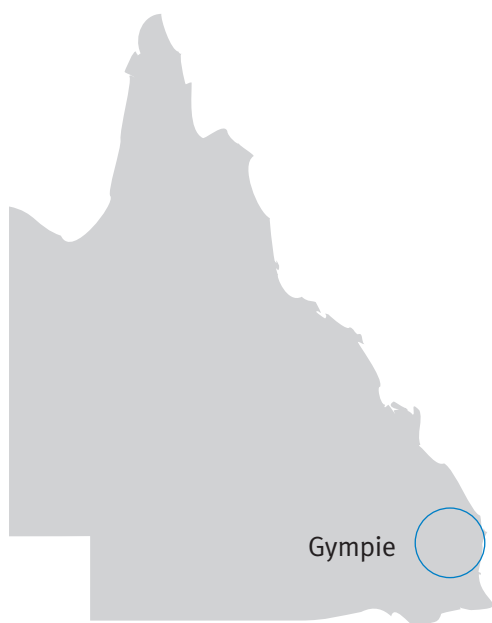


Gympie Regional Council



1. Recommendation

The Commission recommends:

- (i) the existing local governments of Kilkivan Shire and Cooloola Shire Councils be abolished and a new local government formed based on the combined area of the two existing local governments and Division 3 of Tiaro Shire Council;
- (ii) the new local government be called Gympie Regional Council;
- (iii) the new local government be undivided with eight 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	Gympie Regional Council	Kilkivan Shire Council	Cooloola Shire Council	Tiaro Shire Council (Division 3)
Class	Regional	Shire	Shire	Shire
Size	6,898 sq km	3,264 sq km	2,967 sq km	667 sq km
Population 2006	42,820	3,386	37,480	1954
Population 2026	56,410	3,781	49,635	2,994
Electors 2007	28,555	2,461	24,747	1,347
Electoral arrangements	Undivided 8 councillors plus mayor	Undivided 6 councillors plus mayor	Divided 12 councillors plus mayor	Divided 3 councillors
Electors per councillor excluding mayor	3,569	410	2062	449
Total operating revenue financial year 2006	\$50 million	\$7 million	\$40 million	\$3 million *
Annual capital expenditure financial year 2007 - 2015	\$24 million	\$2 million	\$21 million	\$1 million *
Total assets at 30 June 2006	\$475 million	\$89 million	\$365 million	\$21 million *
Debt at 30 June 2006	\$5 million	Nil	\$5 million	\$minor
Community equity at 30 June 2006	\$457 million	\$88 million	\$349 million	\$20 million *

* Pro-rated based on 2006 population split by Division

3. Rationale for the new local government

3.1 Service delivery, operations and management

- Improved service delivery through economies of scale particularly for residents of Kilkivan Shire and Tiaro Shire Councils (Division 3 which includes the towns of Theebine and Gunalda) around:
 - planning;
 - managing water, waste and sewerage;
 - managing and maintaining road networks;
 - utilising plant; and
 - undertaking core corporate activities including executive and administrative functions, finance, and information technology.
- Increased capacity particularly with respect to Kilkivan and Tiaro (Division 3) shires, through a larger asset and revenue base.
- Enhanced prospects of attracting, retaining and better developing the skills base required to undertake activities of local government.
- Amalgamating the local governments offers the potential of improving the quality of governance and decision making.
- Kilkivan Shire Council currently owns a number of non-core community assets including a kindergarten, a museum and an aged care facility. The risks relating to the ownership of these facilities are better managed by a larger local government.
- 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, road networks and water, waste and sewerage issues on a regional basis, as opposed to having smaller local governments with less influence competing for State and Federal Government funding.

3.2 Communities of interest

- Gympie is the major service centre for Kilkivan and Cooloola Shires and Tiaro Shire (Division 3) where major retail, health (hospitals and nursing homes), commercial, financial and government agencies are located.
- Kilkivan Shire in its suggestion to the Commission identified it had closer communities of interest and a strong preference to amalgamate with Cooloola Shire rather than with any of the local governments in the South Burnett.
- The three amalgamated areas have similar economic interests being mainly agricultural predominantly beef, milk, fruit and vegetables. In addition the coastal towns of Tin Can Bay and Rainbow Beach enjoy significant tourism.
- Close geographic location of all towns with Gympie located on the Bruce Highway. There are good road networks to other towns included in the amalgamated local government.
- Most employed people work within their shire boundaries however 17 percent of employed people in Kilkivan Shire work in Cooloola Shire.
- There are no natural barriers between the communities.

3.3 Other

- Cooloola Shire and Tiaro Shire (Division 3) are expected to experience sound growth and this growth may assist in offsetting some of the negative aspects associated with low growth expected in Kilkivan Shire.
- Kilkivan Shire may, in the long-term, have difficulty providing the required level of service to its residents due to its low growth rate and relatively small population. Amalgamation will assist in ensuring, that these residents receive these services.

4. Financial sustainability

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

- Cooloola Shire Council – very strong (developing);
- Kilkivan Shire Council – weak (neutral); and
- Tiaro Shire Council (a) – weak (developing).

(a) Please note that this rating assessment is for the whole of Tiaro Shire and not only for Division 3 which is included as part of this amalgamated local government.

It is likely that the amalgamated local government would be rated as strong with a developing outlook. The developing outlook is largely influenced by the large capital works program forecast to be undertaken over the next couple of years during a period when costs are rising sharply and there are significant labour capacity constraints.

Although the region is experiencing reasonable population growth, it currently has a weak demographic profile with high unemployment, ageing population and low taxable incomes. This is consistent with other fast growing coastal communities.

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 74 suggestions it received in relation to the areas to be included in the proposed Gympie Regional Council.

7.1 Details of suggestions

- Kilkivan Shire Council's suggestion states a preference to remain as a stand-alone local government. However if it is to be amalgamated, it would like the Commission to consider the following views of council:
 - the shire should be amalgamated as a whole and should be amalgamated with a coastal local government;
 - the amalgamated local government should be undivided or have large multi-member divisions;
 - the amalgamated local government should be named Gympie Town Council; and
 - there should be no staff redundancies, except the CEO, for two years.
- Cooloola Shire Council's suggestion expresses a preference for no amalgamation, however if the shire must be amalgamated then council's boundaries should be extended to include Division 3 of Tiaro Shire and the western part of Kilkivan Shire along Mary River Catchment as this area reflects the community of interest.
- Tiaro Shire Council's suggestion is to amalgamate with Woocoo Shire Council. The suggestion also stated that Tiaro Shire has a completely different set of needs to the urban communities of Maryborough and Gympie and it did not contemplate having its boundaries split.

7.2 Commission's comments on suggestions

The Commission considered the suggestions and noted:

- Kilkivan Shire Council's suggestion to remain a stand-alone local government and is of the view that this is unlikely to position the shire to be sustainable in the long-term and won't provide residents with the required level of local government services. It also noted its preference to be amalgamated with Cooloola if the stand alone option was not considered viable.

- Cooloola Shire Council’s suggestion to remain a stand-alone local government and is of the view that the shire is part of a region with Gympie being the regional centre. In addition, the quality of processes it has used to attain a very strong rating can be extended to Kilkivan Shire and Tiaro Shire (Division 3) to ensure the whole region is delivered the required level of local government services in an efficient manner.
- Tiaro Shire Council’s suggestion to amalgamate with Woocoo Shire Council (rated very weak) and is of the view that this amalgamation only marginally improves the resourcing and financial capacity of the amalgamated local government when compared to the individual local governments. The Commission’s decision to recommend the amalgamation of Tiaro Shire (Division 3) is based on residents of this Division using Gympie as a regional centre which differs from residents in the northern divisions of Tiaro Shire who will more likely utilise Maryborough or Hervey Bay as a regional centre. The Commission’s view is supported in part by Cooloola Shire Council’s suggestion.

8. Other Commission considerations

The potential for the inclusion of the Theebine/ Gunalda area in an amalgamation with Cooloola Shire was identified in the work of the Fraser Coast SSS review group.

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.