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29 MAY 2007
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Nanango Shire Council

SUBMISSION

to

LOCAL GOVERNMENT REFORM COMMISSION

EXECUTIVE SUMMARY

The Council and community of the Nanango Shire offer the following submission regarding local government reform in Queensland. Nanango is a vibrant, forward thinking and innovative shire that respects its heritage and rural identity. Nanango Shire is the eastern gateway to the South Burnett region, located at the top of the Great Dividing Range at the head of the Brisbane Valley. Rich in history and tradition, Nanango is the 3rd oldest town in Queensland.

Reform Considerations

Nanango Shire Council's objective is to stand alone with some minor boundary changes, giving a population of approximately 13,000. Structural reform for Nanango Shire should consider the following boundary changes to link the strong "communities of interest" within the region, compliment existing service delivery and enhance our common cultural heritage.

1. Boundary change to include northern end of Rosalie Shire and Crows Nest Shire to be included in Nanango Shire - towns of Yarraman and Cooyar (approximately 2000 residents).

2. Boundary change to include part of Esk Shire, incorporating towns of Moore and Linville (approx 500 residents), as the Blackbutt to Linville Rail Trail is the responsibility of Nanango Shire.

Nanango Shire's Current Position

The Nanango Shire is a vibrant, innovative and sustainable community that has experienced strong economic growth. The Shire has unique characteristics quite independent to other neighbouring shires, including its heritage and lifestyle opportunities. The completion of the revamped CBD and shopping centre will consolidate our position as a regional centre.

Council conducted various public meetings to inform our community of the Local Government Reform process. There is clear vote against the view of amalgamating with other shires in the region.

Community disaffection between shires is historically recognised and any attempt to merge these communities would be detrimental.

There is an obvious regional community of interest, however this is not supported at a local level.

Economic Profile

- Nanango Shire is not solely reliant on primary production for economic viability. The economic structure is spread across other significant industry sectors such as Tarong Energy and Rio Tinto, who employ

900 staff directly and numerous others indirectly through supporting local business and contractors.

- Current population projections have Nanango Shire at 9,700 residents. Council building approvals for 2004-06 totalled 306 dwellings. The QTC report using the OESR figure quote 0.9% growth rate stating that only 11 persons moved to the Shire in 04/05. Clearly this is questionable due to building statistics alone.

- School enrolments from 2001-2006 have increased, which is consistent with strong population growth. Currently all schools in the shire have increasing enrolments.

- Council has approximately 200 residential allotments approved and an additional 200-250 planned. A major shopping centre and potential industrial estate will provide substantial increases in employment and business opportunities for the community.

- Independent economic advice has indicated the viability of these retail developments based on strong growth rates over last 5 years and forward projections.

- Unemployment has decreased from 14.5% to 9%, clearly showing an improvement in the economic profile of the shire which supports our claims of substantial growth.

Council Sustainability

- Council has the largest number of ratepayers in the South Burnett region.

- Council has the capacity to generate increased rate revenue without a substantial impact on ratepayers. Improved work methods and project analysis has provided significant cost savings in some areas.

- Council has a very acceptable liquidity ratio compared to our neighbouring shires as per the DLGPSR comparative data, and is considered more than adequate.

- Council has the ability to manage the future financial needs of the community with reserves and borrowings. These resources form part of Council's strategic planning process, providing a sustainable future for the community and minimising the impact of financial shocks.

- Council has received unqualified audits for 2004-2006.

- Council introduced risk based, life costing asset management program.

- Council is developing a robust water supply for Nanango Shire to sustain the community and future growth.

- Council has implemented a priority based asset maintenance system.

- Council has improved strategic financial planning processes.

Council's management profile overview

- Diverse management team utilising cutting edge telecommunications and taking a contemporary approach to leadership practices and management systems.

- Committed team with substantial local government experience and expertise across a broad range of fields including Telecommunications, Electrical Engineering, Environmental Engineering, Civil Engineering, Human Resources, Finance, Business Administration, Chemistry, Building and Plumbing certifiers and Town Planning.

- Successful attraction and retention strategies in place, resulting in there being no skills shortages.

Strategic Corporate Planning Successes since 2004

- Council has delivered to the Nanango community an award winning Aquatic centre - a $3M indoor heated pool with hydrotherapy facilities - which is open 363 days per year, with over 50,000 users in the first year of operation.

- Council has commenced a streetscape improvement strategy for the Nanango and Blackbutt Town Centres. Stage 1 of the project, costing $1.6 million dollars, consists of underground power, water and sewerage infrastructure replacement to the Nanango CBD, fully costed and funded and scheduled to be completed by August 2008.

- A large Industrial Park is currently being developed which includes partnerships with State Development, Tarong, DNR and the private sector. Council's exposure to risk has been considered to be low in this project. The project is for major industry to complement the power industry and attract investment and jobs.

- Provided high level technical advice and input on Western Pipeline construction.

- Actively involved in participating with the technical working group for Burnett Regional Water Supply Strategy.

Consideration for a boundary change to include the northern end of Rosalie Shire and Crows Nest Shire to be included in Nanango Shire – incorporating the towns of Yarraman and Cooyar (approx 2500 persons)

- The community of interest for the northern end of Rosalie and Crows Nest Shires is the towns of Nanango and Blackbutt. The section from the Cooyar Ranges toward Nanango Shire is considered part of this region and is part of the natural resource catchments. (Refer to the Appendix A - Map providing proximity to the Nanango Shire).

- Nanango Shire is committed to securing water supplies for the Blackbutt and Nanango Townships as part of the Western Corridor project incorporating the proposed pipeline from Boondooma to Blackbutt. Nanango Shire expertise in this area can develop and manage strategies to assist the Yarraman township.

- The northern end of Rosalie Shire and Crows Nest Shire, including the towns of Yarraman and Cooyar, access essential services such as medical, retail, banking, and other government services from within the existing Nanango Shire.

- Nanango Shire Council understands the importance of community values and would maintain Yarraman's unique character and identity.

Consideration for a boundary change to combine part of Esk Shire to include towns of Moore and Linville (approx 1000 persons)

- Nanango Shire has developed and leased the "Blackbutt to Linville Rail Trail" through Queensland Transport. It has been marketed as an award winning attraction for horse riders, bike riders and walkers. This initiative was developed in conjunction with Linville residents and the Esk Shire, with Nanango given the responsibility of managing the trail.

- The unique character of the area would be maintained and the existing close relationship with this community would be enhanced.

- The top end of the Esk Shire, including the towns of Moore and Linville, is situated closer to the Nanango Shire than Esk. These communities would benefit from being an integral part of the Nanango Shire. The residents of the area do have a "community of interest" with the Nanango Shire for retail, medical, banking, and other government services.

- Once again the Natural resource catchments are included this area. (Refer Appendix B - Map)

Position on Amalgamations – South Burnett Region

- The suggestion of an amalgamation of shires in the South Burnett region is a concern due to the complexity of merging six existing shires and their respective councils and communities.

- For these communities, an amalgamation of this magnitude would create significant issues in relation to local community sustainability. There will be negative social and economic implications and community isolation due to the absence of available regional transport infrastructure.

- For the new local government, there are no identified cost savings. The complexity of blending six differing organisational cultures and community diversities and expectations, together with a new framework for governance, will have a direct impact on service delivery, community spirit, financial sustainability and staff morale.

- The South Burnett Local Government Association (SBLGA) has achieved some agreement in shared service arrangements, however it has failed to deliver any major benefits to the South Burnett Region. Whilst councils in the region support the association and the benefits achieved to date, there has been limited success on regional issues due to differences in community values and expectations.

SUMMARY

In summary the concern with an amalgamation of these shires is the real loss of community identity and local representation. The communities' needs are high on local agendas but not necessarily in a larger local government arena. **Council is concerned that any forced amalgamation will constitute a major change of governance at a local level and will in effect remove the "local" from local government.**

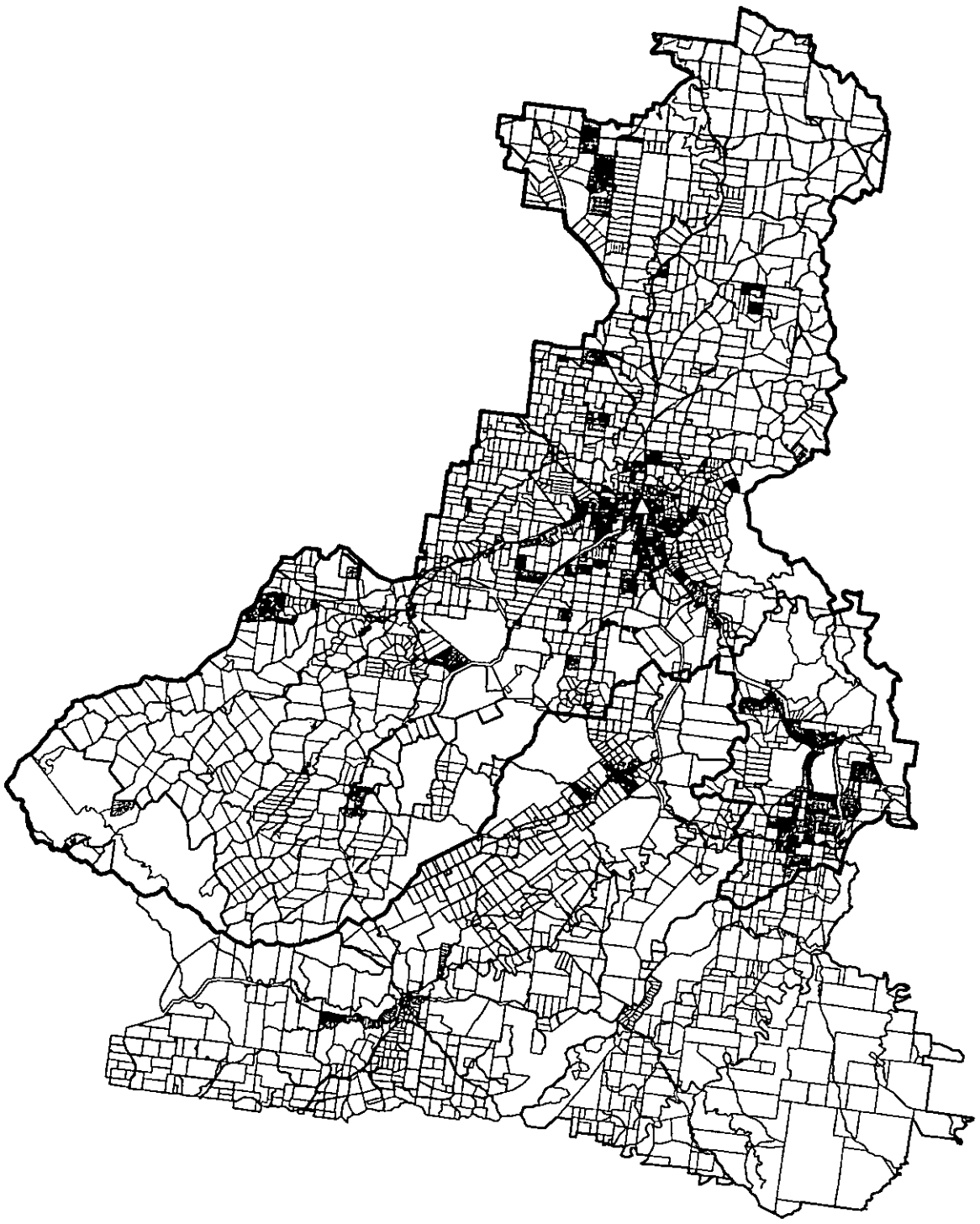
Furthermore, amalgamations would not enhance the strong commitment Council and staff have already given towards establishing a stable and sustainable community.

Council's preference is for this Shire to remain as a stand-alone entity with some minor boundary alterations.

We would ask the Local Government Reform Commission to review our position and thank you for consideration to our communities views on structural reform.

Shane Gray
Chief Executive Officer

Reg McCallum
Mayor



GDA

True North, Grid North and Magnetic North are shown diagramatically for the centre of the Hervey Bay Local Government Area. Magnetic North is correct for 2001 moving easterly by 0.04° in about five years.

GN TN MN

Grid - Magnetic 10.5°

Important

This map was produced on the GEOCENTRIC DATUM OF AUSTRALIA 1994 (GDA94), which has superseded the Australian Geographic Datum of 1984 (AGD66/84). Heights are referenced to the Australia Height Datum (AHD) heights.

For most practical purposes GDA94 coordinates and satellite derived (GPS) coordinates based on the World Geodetic Datum 1984 (WGS84) are the same.

Drawn By : P. Robinson

Department : Engineering

Date : 25-05-2007

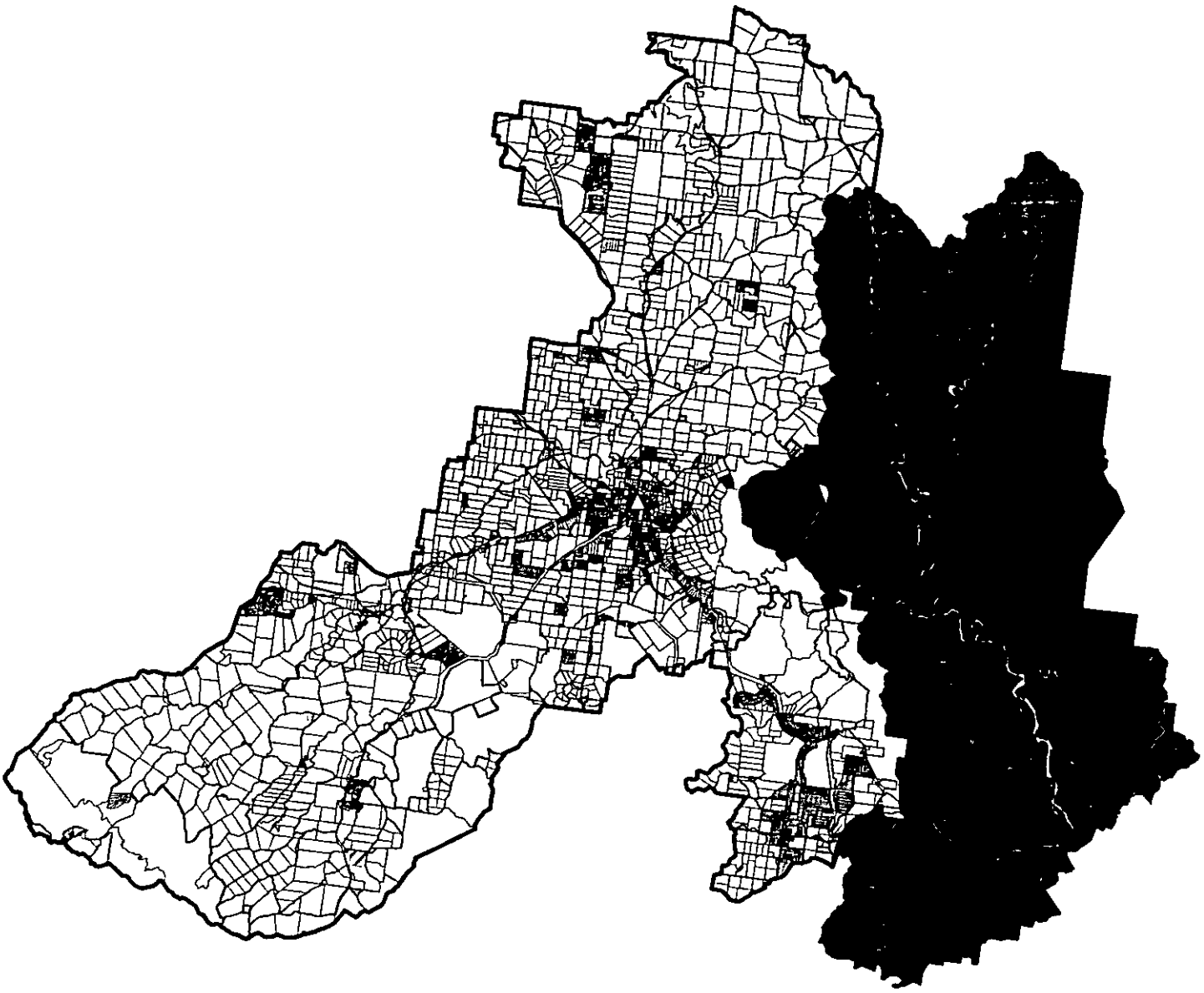
Projection : MGA94 Zone 56

APPENDIX A

SUGGESTED BOUNDRY CHANGE PART OF ROSALIE AND CROWS NEST SHIRES

NANANGO SHIRE COUNCIL

48 Drayton Street NANANGO Q 4615 Ph (07) 4171 6800 Fax (07) 4163 1729



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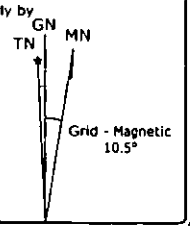

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Department : Engineering

Date : 25-05-2007

Projection : MGA94 Zone 56

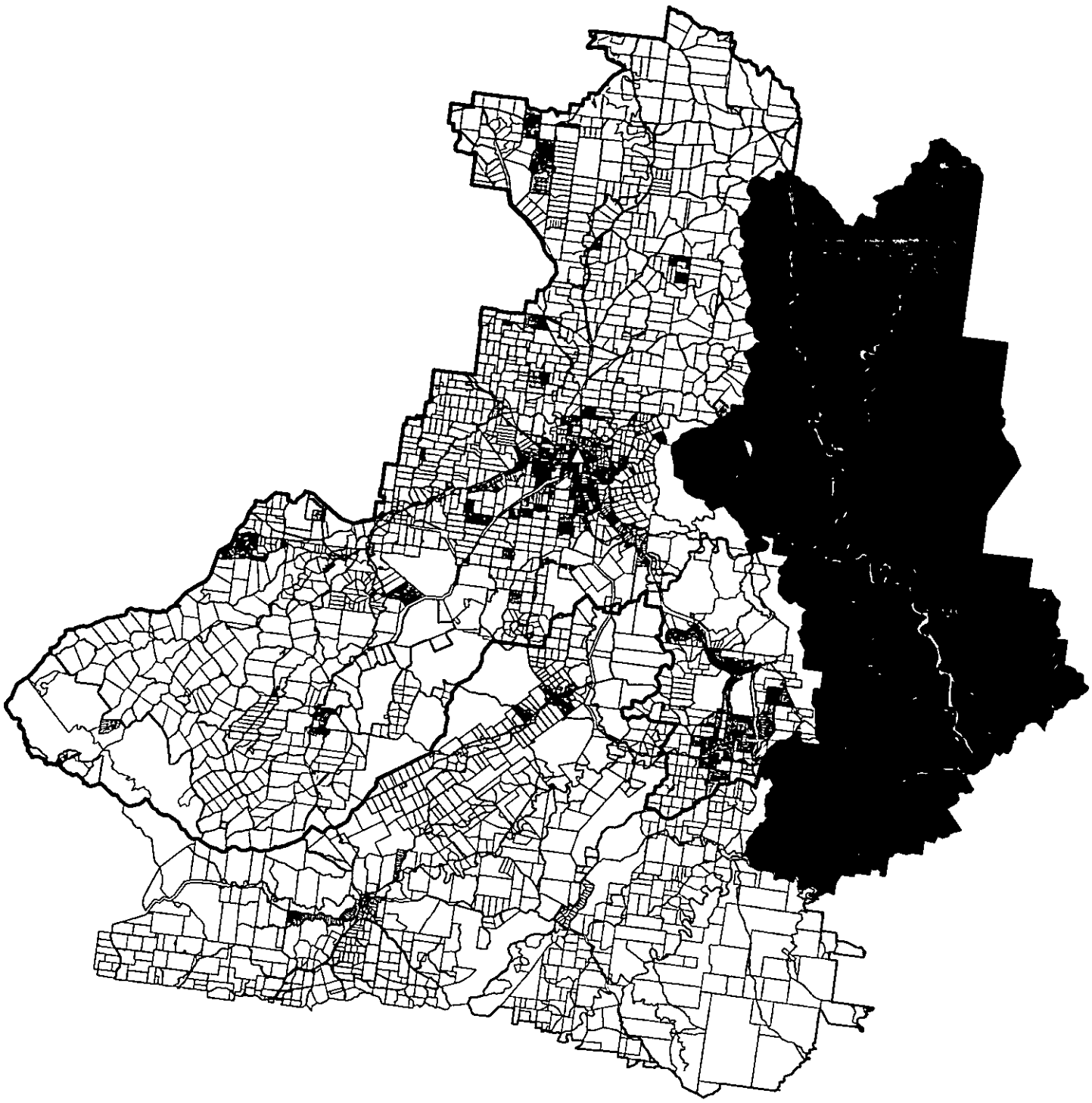
APPENDIX B

SUGGESTED BOUNDRY CHANGE

PART OF ESK SHIRE

NANANGO SHIRE COUNCIL

48 Drayton Street NANANGO Q 4615 Ph (07) 4171 6800 Fax (07) 4163 1729



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GN TN MN

Grid - Magnetic 10.5°

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Department : Engineering

Date : 25-05-2007

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SUGGESTED BOUNDRY CHANGE COMBINED AREAS

NANANGO SHIRE COUNCIL

48 Drayton Street NANANGO Q 4615 Ph (07) 4171 6800 Fax (07) 4163 1729

Appendix C

Economic Profile/Sustainability Review

Growth Rates/Development

The Office of Economic and Statistical Research provided figures that do not clearly represent the Shires current economic profile. QTC and OESR Indicates a growth rate of **.9%** which does not match what is actually experienced at the local level.

- The report indicated that Nanango Shire is reliant on the cattle industry, when clearly Nanango has very significant industrial representation, such as Tarong Energy and Tarong North (electricity supply) and Rio Tinto (mining), significant forestry's industry and tourism, all of which contribute to the local economy and were overlooked in these reports.
- The energy and mining industry employs approximately 900 employees directly and large local industry involvement through contract work.
- Accommodation such as motel and rentals are booked in some cases 12 months in advance. In addition residential sales have been very high over the last 5 years.

- Rates searches and property transfers/queries have also increased significantly since 2001:
  - 02/03 1244
  - 03/04 1280
  - 04/05 1355
  - 05/06 1390
  - 06/07 1428 to date

- Council has approximately 100 more ratepayers than Kingaroy Shire, with both Shires experiencing similar growth rates.
- The profile of Nanango Shire is no longer primary production, but lifestyle, with approx 28% of ratepayers are investors.

- Council statistics have also identified an increase in resident ratepayers:
  - 03/04 **3,744**
  - 04/05 **3,848**
  - 05/06 **3,936**
  - 06/07 **3,978** to date

  The growth rates, however, are difficult to calculate when the number of residents per household is not available until census figures are released.

Summary of building approvals 2004-2006

- Council building approvals for the period 2004-06 were 232 new dwellings and 74 relocated dwellings for the shire. The total 306 dwellings with estimated occupancy of 2.5 persons equates to 765 people 04-06. Preliminary population statistics provided for shire ending 04/05 of 8,725 gives a population growth rate for 2 years at **9.46%** or **4.73%** per annum.

- School enrolments from 2001-2006 have increased consistent with strong population growth. Currently all schools in the shire have increased student numbers.

- Nanango Shire has a major shopping centre approved and statistics provided by the developer's economists etc support the strong growth rates in the shire.

- The Shire does have a large percentage of pensioner ratepayers; however the number has remained constant during the last few years, leaning toward a trend of younger ratepayers compared to growth figures.

- Unemployment rates have dropped from 14.5% to 9% which is positive despite remaining above the state average.

Rates and Financial analysis

Council has identified that revenue from rates was significantly lower than the state average and has taken measures to rectify the situation; work methods and improved performance have also contributed to cost savings. Council has received favourable reports from the Queensland Audit Office which supports the improved sustainability of Council.

Expenditure

Council has reviewed its asset register and is currently implementing a robust system for maintenance, renewal and replacement of existing assets and a full priority based maintenance system. Improved work methods, systems and budgets provide full funding of assets and forward projected infrastructure needs.

New assets decisions are based on whole of life costing and the needs of the community. An example of significant change includes the cleansing services and garbage collection, which was operating at a significant loss. 2005/06 saw the implementation of a new service which currently is operating at break even point. Current financial figures identify this, however, not recognized in QTC's report.

Unfunded depreciation has been significantly reduced and Council has the commitment to fully fund depreciation which has been achieved this financial

year. Council has strategically recognised the importance of maintaining the asset base.

Forecasting Impacts on Council

The impact on ratepayers in the way of a financial shock has been mitigated, due in part to Council's liquidity, which compared to the neighbouring shire is more than adequate.

- Nanango Shire is made up of both residential and rural residential properties which are similar in number.

Nanango Shire was identified in the QTC draft report as weak and developing toward a moderate shire. It is the opinion of this Council that the Shire outlook should recognise that it is one of the few Councils in Queensland that have low debt, are funding assets and have an excellent liquidity ratio. Council is extremely disappointed with the reporting, considering that a significant amount of information is either incorrect or was omitted in the consideration.