



EMERALD SHIRE COUNCIL

**SUBMISSION
TO THE**

**QUEENSLAND
LOCAL GOVERNMENT
REFORM COMMISSION**

MAY 2007

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Executive Summary

The Emerald Shire Council recognises and accepts that change is part of local government as it is with all other parts of our lives. There is also no argument with the need to implement reform when and where it is necessary. Equally important, however, is to recognise where reform is not necessary, and to consider reform alternatives. We trust that the Commission will establish a sufficient understanding of this shire and the Central Highlands region to enable it to make the most appropriate reform recommendations. This submission is intended to provide the Commission with some additional and up-to date information about the shire and council, and to advise the Commission of Council's views on reform.

Emerald Shire, which is categorised as “strong with a developing outlook” in the QTC Financial Sustainability Review, has an estimated current population of 15,000, a strong and diverse industry base, a town that is the regional centre for the Central Highlands and areas further west, and is subject to enormous growth. The shire is supported by a Council that is well lead and managed, and has an excellent record of supporting the shire and residents with services and facilities, and in planning and providing for the future.

Emerald Shire Council is opposed to amalgamation with other shires and boundary changes because:

- (a) It is financially sustainable, with a QTC financial rating of ‘strong with a developing outlook’, and so is well able to stand alone.
- (b) It has the resources and expertise to provide optimum levels of service in all key areas and is already doing an excellent job.
- (c) All residents in this Shire identify with it and support it, and substantially utilise the services and facilities available within the Shire.
- (c) It already works closely with neighbouring shires and other key local and government organisations to contribute effectively on regional economic, social and environmental issues
- (d) It firmly believes that amalgamations would have an adverse effect on this shire and neighbouring shires and, therefore, the Central Highlands region.

Emerald Shire, with its neighbouring Shires of Bauhinia, Duarina, Jericho and Peak Downs (forming the Central Highlands sub-ROC) and the Central Highlands Development Corporation (CHDC) work closely together in matters requiring regional cooperation and resource sharing. They were, under the SSS Process, developing closer working arrangements and wish to continue this. All these shires are all financially sustainable and in economically strong area, and are a model of regional cooperation and harmony, the envy of many.

Why change a situation and relationship that is successful, efficient, effective, acceptable to the community and financially sustainable in the engine house of Queensland?

Council is disappointed that the SSS Process was abandoned and replaced with this extraordinarily brief reform process. There has not been adequate time for councils and communities to properly consult, consider their situation and options, and prepare the best submissions. There is also concern that Council and communities will not have adequate opportunity to review the Commission's report to the Minister and, if necessary, make further representations to the Minister before the reform decisions are finalised. It is quite possible that this could result in decisions being made that do not produce the best outcomes.

Emerald Shire Council's key points in its submission to the Commission are that:

- ***Emerald Shire Council should not be amalgamated with any other shire.***
- ***Support should be provided to enable the Emerald Shire Council and neighbouring shire councils to develop their links further into more formal resource-sharing and shared service delivery arrangements.***
- ***The Emerald Shire boundaries should remain unchanged.***
- ***Additional time should be provided after the Commission hands its report to the Minister for councils to assess the report and, if believed necessary, make representations to the Minister.***

Council Profile

Emerald Shire is the Regional Centre of the Central Highlands region in Central Queensland, and the town of Emerald is the regional hub for commerce and services, supporting hugely productive industries and over 30,000 people. The Shire has a diverse economic base with agriculture (cattle, grains, and cotton), horticulture, viticulture, coal mining, gemstones (sapphires), substantial support industries, a strong commercial and government/health/education sector, and tourism. The Shire is the third fastest growing percentage-wise local government in Queensland with a united and effective Council and wonderful people.

Below are some key points about the shire, many of which will not have been provided in other reports:

- Emerald Shire covers an area of over 10,000 square kilometres with 9 townships including Emerald, which has an estimated current population of 12,000), and several more rural communities.
- The Shire's current estimated resident population is around 15,000. This is considerably higher than the 2005 official figures because there has been significant growth in the town over the past 3 years.
- The number of rateable properties is currently just under 9000 following several recent subdivisions and additional mining claims, which is a very substantial increase on prior years.
- Building approvals for the 10 month period July 2006 to April 2007 totals 444 and amounts to \$67Million.
- Current applications with Council include a new, large (8660m²) multi-outlet retail centre, a multi-million dollar redevelopment of a CBD hotel, another motel redevelopment, 6 new accommodation buildings (motels & workers accommodation), 25 new industrial lots, a new cattle feedlot, and 54 residential lots. Ergon has also acquired land in Emerald for a large new substation (in addition to multiple new substations being placed throughout the town).
- Since 2004 there has been over 2000 new lots approved and there are currently 778 lots proposed but not yet approved. There have also been several hundred new motel and short-term accommodation rooms constructed in recent years.
- Passenger numbers through the Emerald airport have increased around 30% each year for the past 3 years. In 2003/4 there were 47,000 passengers. In 2006/7 there are expected to be over 100,000. There are more than 120 rental cars based at the airport.

These figures provide a clear picture of a relatively large, economically strong and growing rural shire. Even the citrus canker catastrophe, which has cost this community tens of millions of dollars in additional costs, lost revenue, destroyed trees and underutilised plant, has not stopped this shire progressing strongly. The citrus industry will commence replanting in July 2007 and further boost the local economy. Very obviously, the Emerald Shire is economically very strong and will remain so in the foreseeable future. It can well and truly stand alone and should do so.

The Council is also particularly strong and committed to this community. Key points to note in relation to the Council are:

- The Council has stable and experienced councillors and managers. All the councillors are long-time residents with a variety of backgrounds and so understand the needs to residents and business. They are a cohesive group and supportive of one another and management, and committed to the Shire and its communities. The managers are well educated and very experienced in local government, other government and commercial sectors.
- Emerald Shire Council has been rated "strong with a developing outlook" by the Queensland Treasury Corporation in the QTC Financial Sustainability Review. This

rating demonstrates its ability to progress sustainably, in triple bottom line terms, into the future, coping with the projected growth of the shire. Importantly, the QTC review also covered council's recent track records and Emerald's record shows that it has been prepared to make hard decisions where necessary, such as substantial increases in rates and charges, to secure the required standards of services and infrastructure. The forecast also shows Council is prepared to borrow funds to 'build' its community so it can confidently face the future. These are clear signs of a good council and supportive community.

- Council has a track record of providing commercial services. The airport is a very successful enterprise in terms of its high quality facilities and service and its profitability. Council's civil operations department generates a significant amount of revenue from the provision of civil works such as subdivision development and road construction and the transportation of materials and plant. Council is also a significant and profitable developer of residential land in a competitive market.
- Current staff numbers are now up to 180 equivalent full-time employees (and around a dozen vacancies). There has been a large increase in staff numbers in recent years to meet shire growth and increased demands from residents and governments.

These staff are having to work particularly hard to provide all the services and facilities expected by its citizens in this period of growth. It is a measure of their commitment and quality that, despite a huge workload, they continue to seek improvements in the way they do things and the level of satisfaction of residents. This achievement is particularly notable considering a 30.5% staff turnover in the past 12 months (April/April) and even higher turnover levels in prior years. This turnover is substantially due to the coal mining and associated industries poaching good staff and the very high housing costs and relatively remote location. The latter 2 points also make it difficult to attract good staff and forces Council to provide higher wages and benefits.

- Emerald Shire Council is also having to expand its facilities and services very significantly to meet community growth. Current programs include an almost-finished \$12M new office & art gallery complex; construction of a \$1.6M swimming pool complex upgrade (being stage 2 of a 3-stage project); construction is soon to commence on \$7M Stage 1 central business district upgrade, a \$4M airport terminal expansion (the second terminal expansion in 5 years) and a \$2.5M Stage 1 water and sewerage network upgrade. These are all in addition to the normal roads and routine infrastructure capital works. In total, over the next 10 years, this council will need to spend around \$118M on capital works.

This is an excellent council that succeeds despite all the pressures from internal and external sources because it is focused on and committed to the community, and prepared to make difficult decisions. Councillors and staff do 'whatever it takes', often outside business hours, without remuneration or thanks, because it's for their community. It's personal – it's their families, their friends, their clubs, and their facilities. This is what the 'local' in local government is about in rural areas and is another reason why the Emerald Shire should remain separate.

Service Provision

Emerald Shire Council is continually reviewing its plans, infrastructure and services to ensure they are meeting existing community and regional needs and will remain capable of meeting these into the future. It spends a large amount of money each year on staff training and development and pays particular attention to health and safety issues for staff and the community. Council is also continually reviewing and looking for improvements in all its

systems, policies, procedures, documentation, and arrangements within the council and with the community.

Meeting the needs of the community and individuals is always the focus of this council which is why it has been carrying out an independent community surveys approximately every two years since 1994. This provides Council with valuable feedback to assess its services and provide benchmarks for progressive improvement. Importantly, it provides reassurance to residents that their interests and views are taken seriously. In the last two surveys, Council has benchmarked its results against Calliope Shire, another “strongly” rated local government in the QTC Financial Sustainability Review. An executive summary of the most recent survey is attached for perusal. It is believed the Emerald Shire Council influenced the LGAQ and some other councils to also carry out community surveys.

Emerald Shire Council has also carried out four independent reviews of its staff effectiveness, the last being in 2003, after which a major restructure was carried out to reorient the focus of departments in order to enhance effectiveness.

Emerald Shire Council also has annual consultations with all of its communities in their local halls and, due to the uniqueness of the Gemfields community, has quarterly meetings with a Gemfields Advisory Committee. Councillors and staff also attend Chamber of Commerce meetings from time to time and when requested give talks to service clubs and schools.

Emerald Shire Council has loans and grants available twice yearly to support sporting, recreation and community service organisations. Council also provides financial and in-kind support to a wide variety of other organisations such as rural fire brigades, the SES and the PCYC to assist them maintain and develop equipment and facilities and put on community events. Finally, Council coordinates and key personnel contribute significantly to many well supported events such as Australia Day, Multicultural Festival and Sunflower Festival to name a few. These forms of support are a critical part of maintaining the social fabric of rural communities.

Council also is the largest provider of supported accommodation in Central Queensland with 32 aged units and 10 youth units. A further 5 aged units are soon to be constructed in the Gemfields community with 4 of these funded by the State Government and the 5th unit funded from Council. We are also currently discussing with the Department of Housing the possibility of further aged and youth housing in Emerald. There is a serious shortage of affordable housing and Council is committed to assisting where it can.

A new \$12M Shire administration building under construction will include an art gallery and meeting room set aside for local community groups so that this building is truly a community facility.

Emerald Shire Council is clearly working to provide and facilitate optimal levels of service and support for the communities in the shire. Based on the community survey, consultation meetings and communications throughout the year, Emerald Shire Council is doing a good job in meeting the needs of most of the community.

In a large amalgamated council, there is a possibility and concern that support for the many small events and organisations, including the personal support given by councillors and staff that is so conducive to these events running successfully, will be lost to the small communities. Larger regional events and centralised organisations are not an adequate replacement and there is a resultant decline in community engagement and social capital (satisfaction). Of course this doesn't have to be the outcome, but without the close contact

and support of councils, councillors and staff, and in an era when volunteers are in short supply, it is difficult to see that there will not be at least some decline in this area.

The communities will be the loser if this is an outcome of reform and the question has to be asked, "Who is this reform for?" It won't provide optimal service delivery for residents in smaller communities.

Emerald Shire Council provides a very high level of service and commitment to its community and has processes in place to assist with continual improvements in this area.

Collaboration

Emerald Shire Council has an extensive and effective record of regional collaboration and resource sharing with a large number of organisations. Below is listed some of the key collaborations.

- The Shires of Bauhinia, Duaringa, Emerald, Jericho and Peak Downs form the Central Highlands sub Regional Organisation of Councils (CH sub-ROC) and the Central Highlands Development Corporation (CHDC).
- For many years for the CH sub-ROC Shires, with Belyando and Nebo (excluding Duaringa) formed the very successful Grain Roads Group which coordinated funding and subsidised the upgrading of grain roads of regional significance. It is believed this model influenced the formation of road alliance partnerships in Queensland with the Department of Main Roads in recent years.
- The Central Highlands Regional Roads Partnership is comprised of the CH sub-ROC Shires (excluding Jericho) with Broadsound, Belyando and the Department of Main Roads.
- The Emerald Peak Downs Saleyards Board is a very successful joint local government arrangement of the Emerald and Peak Downs Shire Councils.
- The Nogoia River Flood Plain Board is a joint local government organisation of Emerald, Peak Downs and Broadsound Shires.
- The Central Highlands Natural Resource Management Group is a regional pest and stock routes management partnership of the CH sub-ROC Shires (excluding Duaringa and Belyando).
- Central Highlands Tourism (CHT) is a partnership of the CH sub-ROC and Clermont (from Belyando Shire).
- The CH sub-ROC, with Belyando and Broadsound Shires, commenced an annual joint Mayors' Ball two years ago with all monies raised going to a charity as recommended by the host Shire.
- The shires of Emerald, Peak Downs, Duaringa, Jericho, Belyando, Broadsound and Nebo are presently drawing up a joint tender for waste management.
- The Central Highlands Regional Resource Use Planning (CHRRUP) is an effective partnership with community organisations in the Nogoia/Mackenzie River Catchment.
- The Bowen Basin shires, covering all those with coal mining activities, have jointly had solicitors King & Co conduct research the rating of coal mines
- Emerald Shire Council is a member of CQR PAC, which is currently undergoing a regional land use study; such a study having already been carried out for the CH sub-ROC in 2002/03.
- The CH sub-ROC Shires (other than Jericho Shire) have used the same Consultant Planner to prepare coordinated the IPA Planning Schemes.
- Other resource sharing includes:

- Emerald and Peak Downs Shire Councils sharing a stock routes supervisor.
- Emerald Shire Council's plumbing inspector is providing support to Peak Downs Shire Council.
- Emerald Shire Council has previously provided assistance with specialist staff such as the Health Inspector, Building Inspector and Planner to Peak Downs Shire Council, Bauhinia Shire Council and Jericho Shire Council.
- The CH sub-ROC Councils are presently negotiating the calling of a joint tender for general insurance.
- The CH sub-ROC Councils presently have the same suite of HR policies and have commenced the sharing of HR staff. This is to be further developed.
- The Workplace Health & Safety Officers of Emerald and Peak Downs Councils have recently carried out WH&S audits of each other's Council to provide independent assessments to improve this area.
- Emerald Shire Council from time to time shares its plant, such as trucks, street sweepers, etc. with neighbouring shires.

In addition to these collaborations, the meetings of the CQ-ROC and strong relationships between member councils ensure there is effective collaboration on issues relating to the wider Central Queensland region.

Finally, Emerald Shire Council has several scheduled meetings each year for Council's mayor and senior managers with State Government department representatives to keep each other informed of developments and to discuss and if possible resolve issues of concern. These are particularly useful in establishing understanding and effective working relationships that generates results that are appropriate for the community.

Clearly, the above examples show there is a high level of collaboration already in existence in the shire and region to assist with the provision of services and to address the planning and management of economic, social and environmental issues. This has proven effective in producing results and it does provide efficiencies in operations and the use of resources.

There is no doubt that more can be done collaboratively through resource sharing and shared service delivery arrangements. The Central Highlands councils were making progress in this direction through the SSS Process. They have the goodwill, working relationships, financial capacity, some of key structures already in place and the preparedness and ability to do so. They should be allowed to continue.

Emerald Shire Council is committed to maintaining and building on these collaborations to get the best results for shire residents. If additional structures or arrangements are necessary to achieve these ends, Emerald Shire is fully prepared to participate.

The present strong collaborative arrangements between Central Highlands councils are effective. Councils wish to enhance these for the benefit of their communities and should be supported in this.

The SSS Process

The CH sub-ROC was still in the early stages of the SSS process when the Government announced the local government reform process recently. The reason for the Shire being less advanced in the SSS program than some others was simply the enormous workload and staffing problems resulting from the growth in this region. This Shire and others in the CH sub-ROC had commenced further resource sharing negotiations as part of the SSS Process.

There is no doubt that had the SSS Process continued there would have been worthwhile resource sharing results.

It is the firm view of this Council that any amalgamation of shires will not produce the benefits that would likely have resulted from the SSS Process simply because forced amalgamations do not involve local communities voluntarily working together to strengthen and improve what they already have and want to retain. The Commission is urged to recognise and give considerable weight to this point. Other options such as strengthened resource sharing arrangements have the potential to provide better outcomes.

The collaborative processes that were occurring under the SSS Process should be allowed to continue.

Implications of Amalgamation

There are a number of possible benefits of amalgamation for the residents and businesses in the Emerald Shire but these primarily are in the economic area, such as some possible cost savings and efficiencies, more residents and expenditure in Emerald town, etc. It is, however, hard to see that amalgamation will necessarily deliver better services or better facilities in the Emerald Shire, or that there will be better planning and management and better outcomes in social and environmental areas. The simple fact is that because the Central Highlands shires are financially sound, stable, well managed, committed to their communities and collaborate extensively, they already provide services and facilities that are outstanding for rural areas and are the envy of many other shires, both larger and smaller.

There is real concern that the possible economic advantages of amalgamation will be overwhelmed by the costs, particularly for the smaller neighbouring shires and the more remote communities. An amalgamation of the Central Highlands shires of Emerald, Peak Downs, Bauhinia, Duaringa and Jericho would create a shire area of over 82,000 square kilometres, with road distances East-West of over 400km and nearly the same North-South, and with 20 towns and many other small communities.

The concerns are that any amalgamation will:

- Fracture the existing harmonious relationships between councils and communities.
- Will change the existing cultures in the small towns in adjoining shires.
- Will lead to competition for services and facilities between communities that have to date been very well served.
- Lead to the economic decline of the smaller councils and towns due to reduced resident numbers, reduced expenditure in local towns, and less support for some facilities and for economic development. This may not occur for a number of years but it is believed to be inevitable if amalgamation occurs.
- Provide less representation for residents due to fewer councillors per resident, and some councillors may not be well known if they live, say, 300km away. Additionally, if there are no divisions, and it is acknowledged that there are good reasons for not having divisions, many of these small towns and communities may have no representatives on council from their areas to ensure they are not forgotten.
- Result in full-time councillors with support staff, with some needing to travel great distances, all of which will likely cost more than the present arrangements.
- Any need for full-time councillors will limit the number of good people able to take on this role because of other business and family commitments. It may also attract candidates who are more interested in a job, perhaps with political ambitions, than serving their

communities. The present arrangements only attract councillors who are interested in serving their communities.

- Provide a divided staff with different cultures and entrenched attitudes that are very hard to change. The amalgamations of Cairns and Mulgrave councils and Mackay and Pioneer councils are well known for their difficulties in this area.
- Provide “massive” amalgamation/re-organisation costs which may well outweigh any overall efficiency and economic benefits.
- Result in the possible loss of good staff, particularly senior managers, who have proven themselves to be very competent (as shown by the strong financial ratings and excellent services and facilities), extremely dedicated, and provide substantial services to their communities outside of work. It is already very hard to attract and retain good people in rural areas so councils can ill afford to lose the ones they have.
- Result in greater bureaucratic structures for a much larger amalgamated council, increasing these costs and with key managers having less hands-on contact with ratepayers.
- Provide a loss of community and corporate knowledge with the loss of good councillors and staff.
- All Shire offices have been renovated, extended or replaced within the last few years which may not be fully utilised after any amalgamation. This would be a great waste.

There are very significant adverse consequences likely to occur if there are forced amalgamations and these would outweigh any benefits for shires in this region.

There are options to amalgamations and these need to be taken up if the Emerald Shire Council and neighbouring shires are to maintain and extend their existing high levels of service to their communities.

Electoral Representation

It is considered that the current electoral representation is effective. The Emerald, Peak Downs and Duaringa Shire Councils all consulted their communities in January this year about reducing councillor representation. In all cases, due to strong community feedback, no reductions in representations were made. The community spoke. Forced amalgamations, which will considerably reduce community representation, is NOT the community speaking.

The costs of having councillors is simply not an issue: Payments to councillors are trivial in the overall budget because they get minimal compensation for their time and efforts. Councillors are in reality minimally paid volunteers, but are committed and often highly productive. To obtain the same results in an amalgamated council as is achieved by the present councillors would take full-time councillors and additional community service staff. It would very likely be more expensive and less productive at all levels.

An amalgamation of the existing Central Highlands shires would produce a very large area. Obtaining effective representation for the rural areas be difficult because there are few voters in most of the rural areas, and the large distances and time required to travel would be real disincentives to potential candidates. Amalgamating these shires would entrench the dominance of large towns.

Community committees can work provided there are sufficient competent individuals prepared to commit time on a regular basis. But therein lies the problem – volunteers are in short supply everywhere because of other demands on their time. In this shire, there is

particular difficulty in obtaining anyone other than retirees as volunteers because of the very low unemployment level, high housing and living costs and many shift workers. Working age residents are working and they need to. There is real doubt that community committees will provide effective community representation year after year.

Amalgamations of councils and the effective dismissal of elected representatives are not an outcome chosen by the people.

Residents have clearly indicated they want to retain their present level of representation.

Amalgamating Central Highlands shires would decrease representation for rural residents and entrench the dominance of large towns.

Community committees are not seen as an effective means of community representation in this region.

Time Frame

The extraordinarily short time frame allowed for councils and communities to make submissions to the Reform Commission is not a fair and just process. It has not allowed time for council and the wider community to be properly informed, to thoroughly consider the various issues and consequences, to consult with individuals and organisations, and then to lodge properly thought out and constructive submissions. Inevitably, the consequences will be submissions that contain less information that would be desirable for such an important reform.

The time frame between the Commission's report and Minister's decision is also particularly constrained, providing inadequate time for councils and communities to consider report recommendations – assuming they are made public – and make representations to the Minister before any final decision is made.

The Commission needs to ensure it has adequate time to fully gain an understanding of the shires and communities so that its reform recommendations truly meet the needs of communities.

Additional time is needed after the Commission hands its report to the Minister for councils to assess the report and make recommendations to the Minister.

Summary

Emerald Shire Council should remain a separate council and retain its existing boundaries for the following reasons:

- It has shown it is an effective, efficient and sustainable local government in a strong financial position.
- The Shire's economy is particularly strong and growing; the population continues to increase; town development continues to be strong; and council continues to grow in staff, assets and the range of services provided.
- In all respects the council is well organised and managed. It is focused on, planning for and delivering the services and facilities the community wants and needs.
- The links between the community and council are strong, and residents identify with their towns and this shire.
- There are excellent and effective links with other councils and government-related organisations in the central Queensland area that provide mutual support, assist with seeking efficiencies and ensure that regional planning and management issues are addressed.
- Emerald Shire Council is firmly of the belief that it and neighbouring councils are able to meet the Government's goals while maintain all the benefits of existing structures through greater co-operation rather than amalgamation.
- The apparent disadvantages of amalgamation for this shire and neighbouring shires and the region greatly outweigh the potential benefits.

There has not been adequate time for councils and communities and individuals to properly consider the implications of amalgamation, look at options and prepare the best submissions. Councils are particularly concerned that they will not have adequate opportunity to review the Commission's report to the Minister and, if necessary, make further representations to the Minister before the reform decisions are finalised. The possible consequences of these points are that decisions could be made that do not produce the best outcomes.

The Commission is therefore requested to recommend to the Minister that:

- ***Emerald Shire Council not be amalgamated. This Shire and neighbouring shires are willing and able to pursue proven alternatives to amalgamation.***
- ***Support should be provided to enable the development of stronger resource-sharing and service delivery arrangements between Central Highlands councils.***
- ***There be no boundary alterations for the Emerald Shire.***
- ***Additional time be provided after the Commission hands its report to the Minister for councils to assess the report and, if believed necessary, make representations to the Minister.***

Emerald Shire Council's motto: "Where the people make a difference."

Attachment: Summary of Community Survey.