

LIVINGSTONE SHIRE COUNCIL

SUBMISSION TO THE ELECTORAL COMMISSION QUEENSLAND, LOCAL GOVERNMENT CHANGE COMMISSION

It is proposed to transfer the Localities of Glenlee, Rockyview and Glendale from Livingstone Shire Council to Rockhampton Regional Council.

MAY 2022

Livingstone Shire Council

Submission to the Local Government Change Commission Review of the Local Government Boundary with Rockhampton Regional Council

Mayor's Foreword

The post de-amalgamation period has presented many challenges for Livingstone Shire Council. Residents were left with a very high per capita debt and other unplanned financial liabilities. As a result, rate payers are already burdened by some of the highest rates in Queensland, with council's financial challenge also being compounded by a number of natural disasters such as Cyclone Marcia in 2015 and bushfires in 2019.

The new Council has been determined not to dwell on these setbacks. We have now made the tough decisions that will deliver long term financial sustainability and ultimate prosperity. The last thing needed now is another external shock of the scale that would be imposed by the proposed change.

Livingstone is experiencing increased growth, with population growth forecast to outstrip Rockhampton's in the years to come. Visitation numbers to local destinations and new residents moving to the shire have improved dramatically in recent times, and in the short term this is expected to continue. Council strongly believes the post pandemic period will present a major opportunity to grow the shire, showcase our natural assets and realise the true potential of this region. Council cannot be constantly looking over its shoulder financially if it is to provide the direction, infrastructure and resources to support this growth.

Independent studies have confirmed that the proposed boundary change will make Council extremely vulnerable to external shocks and downside risks. To compete with other locations for growth, Council will have to be able to establish and properly maintain amenities and services that match community and statutory expectations. The capacity to do this will be seriously undermined should the change proceed.

There is no doubt in our mind that as a Region we will be most successful if we work collaboratively with Rockhampton Regional Council as partners in shaping the future of this region. Anything that seriously compromises the capacity of either Council to support a better future is ultimately not in the best interests of either.

Council has surveyed the whole community to understand the level of support for the change. As a shire, residents are strongly opposed to the change. The three suburbs remain generally supportive of transferring to Rockhampton Regional Council, however the level of support and response rate have significantly reduced compared to a poll done in 2014. The results demonstrate there is no widespread, strongly-held commitment to the proposed change.

The new Council is also taking a new approach to realising the full strategic value of the area that would be transferred. Council has already commenced work to understand and develop the future potential for this part of the shire, particularly in relation to future residential development.

To demonstrate these points in detail and assist the Local Government Change Commission when undertaking the review, Council has prepared this submission. It unambiguously concludes that the boundary change is not in the public interest.

Councillor Mayor Andy Ireland

Executive Summary

The Minister for Local Government has instructed the Electoral Commission Queensland, Local Government Change Commission (the Commission) to review the boundary between Rockhampton Regional Council and Livingstone Shire Council. The proposed change would transfer the localities of Glenlee, Rockyview and Glendale to Rockhampton Regional Council. The history of events and advocacy leading to the review is summarised in Attachment 1.

Rockhampton Regional Council has supported the change. Livingstone Shire Council historically opposed the change in the absence of a clear understanding of the consequences for the Shire. An initial independent assessment in 2017 concluded the change could compromise the financial sustainability of the Shire. Council finances were already under significant stress. With this knowledge at hand the newly elected Livingstone Shire Council considered the proposed boundary change in May 2020 and resolved to unconditionally oppose the boundary review.

In doing so Council also determined to expand the community of interest to include the whole shire due to the significant consequences for all residents. To enable a well informed and credible submission to the Commission, Council has conducted community surveys and completed a further independent financial impact assessment study to review and update modelling. These were all completed in late 2020 and form the basis for this submission.

To inform the Commission, Council conducted a direct mail out survey to all rate payers and an 'online' survey to allow all residents to have a say. The broader community are strongly opposed to the change. The residents of the three localities proposed for transfer still generally support the change. The survey response rates revealed the level of interest in the boundary change issue has reduced since the last poll in 2014.

The principal reason for supporting the change was the proximity to Rockhampton and to a lesser extent a passionately held opposition to the de-amalgamation of 2014 among a small number of residents.

The main opposition to the change across the broader shire was a concern about Council financial sustainability and the impact on rates and service levels.

Two independent financial impact assessment studies, the most recent completed in November 2020, have concluded that Council is currently financially weak and very exposed to additional external shocks or downside risks. This was a view shared by Queensland Treasury following a credit rating review in 2019. The new Council has made some tough decisions to set the Council on a course back to financial sustainability within a ten year planning horizon. The proposed change would be a major setback to these plans and place the longer term financial viability of Council under extreme pressure.

In April 2022 Queensland Treasury Corporation completed a financial assessment of the impact the change would have on both councils. The assessment found the change would have a negative impact on Livingstone Shire Council, although current forecasts would maintain key financial performance measures within acceptable limits. This assessment read in conjunction with earlier Livingstone Shire Council modelling demonstrates the change would significantly reduce council's resilience to financial shocks and relatively minor unplanned financial variances. Significant rates increases (\$161 in 2024/25 increasing to \$250 in 2030/31) would be required to recover the foregone operating surpluses. Council's efforts to manage what are already comparatively high rates, would be undermined by the proposed change. Until just recently Livingstone Shire Council rates were the second highest in the state.

An analysis of the Queensland Government Statistician forecast growth series and Rockhampton Regional Council formal planning assumptions demonstrates that the current boundary location places no town planning constraint

on Rockhampton Regional Council. Population growth in Rockhampton has been well below even the low growth forecast. No further expansion of the current strategic plan urban footprint will be required until at least 2041.

The communities of the Rockhampton Region and Livingstone Shire are heavily integrated across all activities. The residents of both commute regularly from one to the other for work, recreation and to access services. Residents of the three suburbs have a lesser impact on the infrastructure of Rockhampton than the balance of the shire does and far less than the impact of Rockhampton Regional Council residents on the infrastructure of Livingstone Shire. Therefore, asset utilisation in this context provides no legitimate basis for determining the outcome of the boundary review.

Capital city to regional area migration is generating an increased demand for trunk infrastructure. The property industry is reporting approximately 1,494 people (~ 600 dwellings) migrated to Yeppoon in the year to 30 June 2021 (*ref. Propertyology for real estate.com*). The proposed change would limit Council's capacity to respond to this challenge at the worst possible time. The future prosperity of both Councils is best served if both are growing and increasingly prosperous. The proposed change will place this outcome in great jeopardy as it will limit the ability of Livingstone Shire Council to maintain service levels and respond effectively to new trunk infrastructure demand resulting from increased interstate migration.

Council strongly believes that this submission supports these conclusions and collectively demonstrates that the proposed change is clearly not in the public interest.

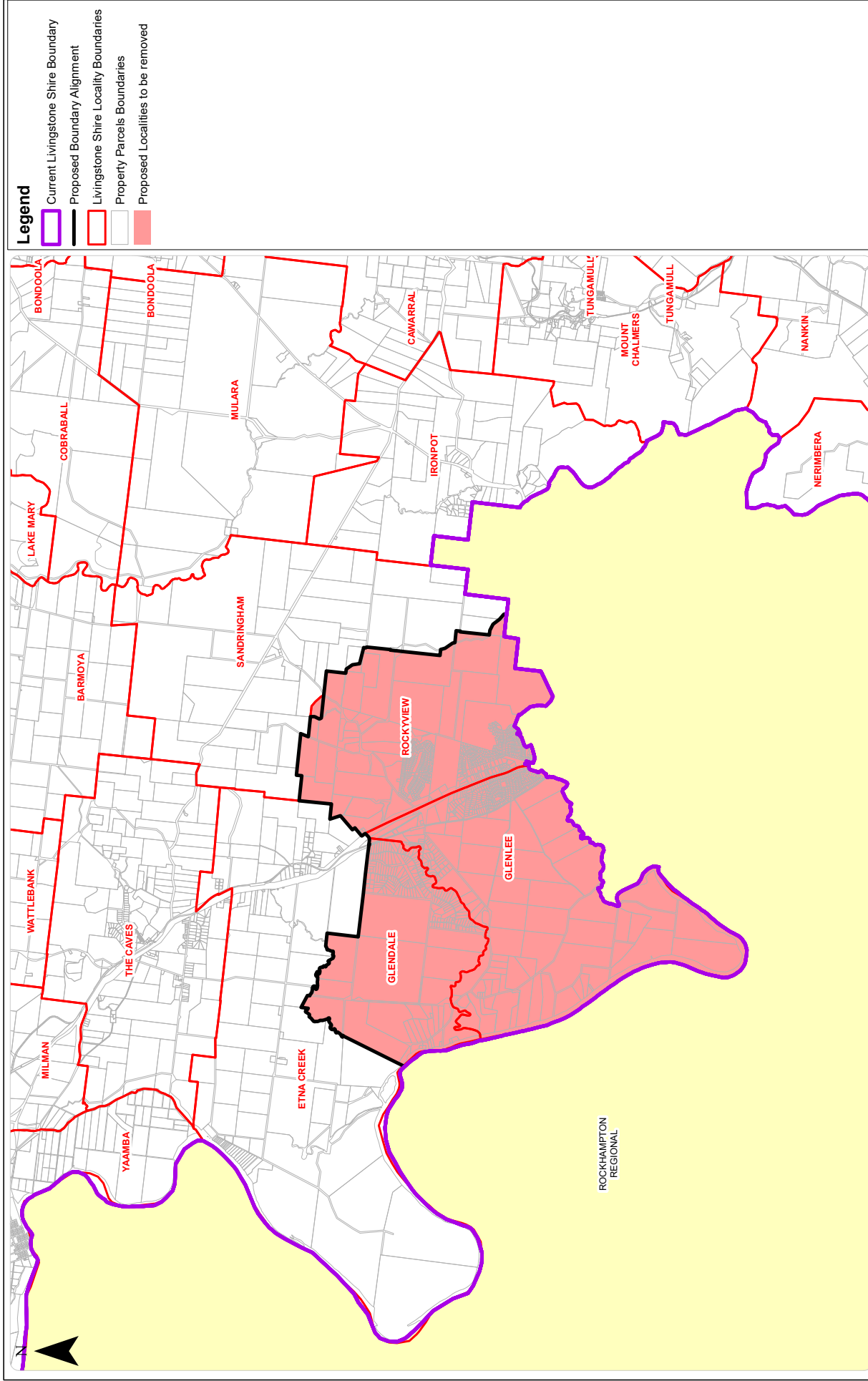
Background

The Minister for Local Government, (the Minister) has instructed the Electoral Commission Queensland, Local Government Change Commission (the Commission) to carry out a review of the local government boundary between Livingstone Shire Council (LSC) and Rockhampton Regional Council (RRC) in accordance with section 18 of the *Local Government Act 2009*. The review will determine if transferring the localities of Glenlee, Rockyview and Glendale from Livingstone Shire Council to Rockhampton Regional Council local government area is in the public interest. The Minister consulted with both councils in 2018 to develop a '*Terms of Reference*' to provide further direction to the Commission.

The three localities are located to the immediate north of the current boundary (*ref. Map1*). Glenlee and Rockyview share a boundary with RRC. The areas contain predominantly rural and rural residential uses. This includes approximately 1,200 rural residential lifestyle allotments. The population of the three localities was 3,472 in 2016 (*2016 Census*). The rural residential allotments in Glenlee and Rockyview vary in size, but 4,000 square metres is the planning intent. Rural residential allotment sizes in Glendale are generally larger.

Current development approvals include a service station and truck stop on the highway in Rockyview and a preliminary approval for an additional 466 rural residential allotments in Glenlee.

The location of the boundary between the councils in this area has been the source of public debate for some time. The three localities have always been a part of Livingstone Shire, except during the period of amalgamation with RRC from 2008 to 2014. RRC and some residents of the localities have lobbied successive State Governments for change. LSC has participated in the ongoing process in good faith, including polling the views of the residents following de-amalgamation in 2014. The results indicated good support for the boundary change, which was unsurprising as residents from these localities did not support de-amalgamation. While acknowledging local support, Council always remained opposed to the change in the absence of a clear understanding of the consequences for Council. If it was



Copyright protects this publication. Reproduction by whatever means is prohibited without prior written permission of the Chief Executive Officer of Livingstone Shire Council. Livingstone Shire Council will not be held liable under any circumstances in connection with or arising out of the use of this data nor does it warrant the accuracy or completeness of the data. The data is provided for information only and is not to be used for any purpose other than that for which it was provided. The Digital Cadastral Database is current as at August 2021. Government of Queensland (Dept. of Natural Resources and Mines) 2015. All other data © Livingstone Shire Council 2021.

Proposed Livingstone Shire Boundary Realignment

Map Created by: LSC Assets & GIS

100,000 at A3.



determined that a boundary change was to occur, it must be timed and accompanied by compensation that properly accounted for the current and future net financial impact on the Shire.

Council completed an independent evaluation of the financial impacts of the proposed change in 2017. The work was separately and independently updated in 2020. Both found that the change carried substantial risk for LSC. QTC released their definitive report on the financial implications of the proposed change in April 2022 for the consideration of the Commission.

The newly elected LSC gave further consideration to this matter on 19 May 2020 and resolved to oppose the boundary review and notify the Minister and Premier. Council proposed that the community of interest for the review should be expanded to include the whole shire because of the likely impacts on rates and services well into the future. The Minister notified Council that the review would proceed, however the Terms of Reference did not prevent Council considering the whole shire as a community of interest.

Council subsequently surveyed ratepayers and residents of the shire about their level of support for the transfer. The whole shire was invited to participate in the survey. Responses have been differentiated for the three localities and the balance area to assist the Commission.

This submission by Council to the Commission aims to inform the work of the Commission and provide material and independent evidence in support of Council's position on the change.

Historical Context

A chronology of key correspondence provides a worthwhile and instructive history of negotiations between key stakeholders (ref. Attachment 1). The process prior to local government elections in March 2020 culminated in the Minister referring the matter to the Commission to carry out a formal review. The Minister consulted with both councils to produce a terms of reference to provide further direction to the Commission.

Key milestones worthy of note include:

- The 2013 poll of residents of all Livingstone Shire localities, as they existed prior to the 2008 council amalgamations voted in favour of de-amalgamation. The residents of Glenlee, Rockyview and Glendale supported staying amalgamated.
- Prior to de-amalgamation RRC made representations to the Minister that the three localities should not be a part of the de-amalgamation. The de-amalgamation ultimately proceeded with the boundary as it existed prior to amalgamation.
- LSC undertook to conduct a poll of residents of the three localities and Nerimbera in November 2014 to understand the views of residents. Of the 65% who responded, 69% supported transferring to RRC (~ 45 % of the resident voting population).
- In October 2016 RRC wrote to Council seeking agreement to jointly ask the Minister to request the Commission to carry out a boundary review. The correspondence included an offer of compensation equivalent to three years' general rates. LSC responded that it needed to fully understand the potential consequences for Council before taking any further steps.
- Council commissioned and received independent advice in 2017 that concluded the change carried serious and far reaching risk for Council.

- Following further advocacy by RRC, the Minister convened a meeting with the Mayors of both councils on 21 June 2018.
- Following this meeting the Minister informed both councils that he would request a review to determine if the change was in the public interest. The Minister consultatively developed a 'Terms of Reference' to provide additional direction for the review.
- On 31 January 2019 the Minister requested the Commission to carry out a review.
- Local government elections occurred in March 2020.
- Following the local government elections, the newly elected LSC reviewed matters relating to the boundary review. On 19 May 2020 Council resolved to oppose the boundary review unconditionally. The Minister was notified of this change on 26 May 2020.

Council resolved:

"THAT:

Council writes to the Honourable Stirling Hinchcliffe, Minister for Local Government, Racing and Multicultural Affairs; and the Premier the Honourable Anastasia Palaszczuk advising that the newly elected Livingstone Shire Council does not support a boundary review as recommended by the Minister to the Boundary Commissioner in 2019, as:

- 1. Council values all areas of the shire equally and does not wish to relinquish Glenlee, Glendale, and Rockyview to Rockhampton Regional Council.*
- 2. The suburbs of Glenlee, Glendale, and Rockyview are key areas of our shire that are included in Council's future economic development plans."*

- The Minister advised Council on 25 August 2020 that **"Queensland Government policy for significant Local Government boundary changes requires that the affected Local Governments support the change and that the affected communities also support the proposed change"**. (ref. Attachment 3)
- Following representations from Council the Minister determined the boundary review would proceed and confirmed that **the community of interest could be expanded to include all Livingstone Shire residents.**
- The Commission notified Council on 26 October 2020 that subject to resource limitations the review would be carried out during the second quarter 2021. This has subsequently slipped to 2022.
- Queensland Treasury Corporation completed a financial assessment of the proposed change for the Commission in November 2021, subsequently amended and published in April 2022.

Terms of Reference (TOR)

The Minister consulted with LSC and RRC to prepare a Terms of Reference (TOR) to guide the work of the Commission. The TOR includes directions on matters that should be considered in making a recommendation about the boundary change and on matters that become relevant if the change is recommended.

This submission focuses principally on the areas that must be considered by the Commission when determining whether the change is in the public interest.

- Consultation with affected Local Governments and residents.
- A financial sustainability review to inform the Commission's work.
- Communities of interest matters related to financial disadvantage and capacity to raise/source revenue, impact on service levels, town planning requirements, reciprocal use of services and infrastructure, lifestyle and economic development opportunities.

Council has not addressed in detail, matters that would be made relevant by a decision to change the boundary such as timing and compensation. Council believes this submission makes a compelling case that the proposed change is not in the best interests of either Council or their residents.

If the Commission and the Minister determine to ignore the evidence presented in this submission and proceed with the change, Council would seek urgent consultation on matters of timing and compensation. Council would seek a level of compensation that keeps the finances of Council whole in the medium to long term as calculated by the independently completed financial impact study. That includes compensation for foregone net revenue from current and future development.

Communities of Interest

AFFECTED RESIDENTS

Rockyview, Glenlee and Glendale have always been a part of LSC, except from 2008 to 2014. During that period LSC was amalgamated with Rockhampton City Council, Fitzroy Shire Council and Mt Morgan Shire Council to form RRC. LSC in its historic form, including these three localities de-amalgamated from RRC in 2014.

The residents of nearly 1200 rural residential allotments in the three localities have historically supported being part of RRC. During a poll of original Livingstone Shire residents in 2013 to determine if the de-amalgamation should proceed, approximately 75% of responding residents of those suburbs opposed the change.

A further voluntary poll was conducted by the Australian Electoral Commission (AEC) on behalf of LSC in November 2014. It resulted in 65% of the 69% of eligible residents who responded supporting a transfer to RRC. This represented approximately 45% of those eligible to vote. On the surface these results appear compelling. However, both surveys were conducted in the shadow of a very divisive de-amalgamation debate. While scars remain it is not helpful to dwell on de-amalgamation. That matter was resolved in 2014.

Two separate and independent financial impact studies have concluded that the proposed change poses a major threat to the long term sustainability of Council and its capacity to support growth. As a result, Council determined that all residents of Livingstone Shire should be given the opportunity to have a say on the proposed change. This is totally consistent with the LSC submission on the terms of Reference in 2018, *"Livingstone Shire Council however reserves the right to seek a vote by the entire Livingstone community if there will be financial disadvantage suffered by*

Livingstone”. Discussions with the Minister in August 2020 concluded the Terms of Reference were not in conflict with this expanded community of interest.

As a result, two surveys were conducted in November 2020 to ascertain the views of all rate payers and residents to assess the level of support for the proposed change.

Apart from the established rural residential allotments, the balance of rural allotments in Glenlee are owned by one key stakeholder. Unsolicited, he offered to document his reasons for not supporting the change to assist the review. The resultant letter to the Mayor is attached for the information of the Commission (Attachment 2).

Comprehensive community engagement and information sharing preceded the conduct of the surveys to ensure all residents were made aware of the proposed change and understood their opportunity to have a say. This engagement included:

- A personal letter from the Mayor to all rate payers in the localities proposed for transfer.
- An extensive multi-media campaign to inform all Council residents and rate payers about the change and upcoming surveys.
- A roadside billboard to alert and remind residents.
- An information pack was provided with rates notices.
- A special on ground public event and campaign launch was held locally.
- A special purpose Council booth was established at local markets and attended by Councillors.

The Surveys

While the proposed change will affect all residents, clearly rate payers will be most impacted. For that reason, Council has conducted two surveys;

1. All Council rate payers by direct mail/email.
2. An ‘On Line’ opportunity for all residents.

SURVEY 1

Council engaged an independent agency to email or mail by post to each rateable property, an explanation of the proposed change and an opportunity to respond.

The survey question was; **“Do you support a local government boundary change that would transfer Glenlee, Rockyview and Glendale from Livingstone Shire Council to Rockhampton Regional Council?”**

The results from the three localities and the balance of LSC are summarised below.

SURVEY DISTRIBUTION DETAILS

GLENLEE
308 Emails Sent (15 Failed)
98 Surveys Posted
ROCKYVIEW
493 Emails Sent (29 Failed)
92 Surveys Posted
GLENDALE
155 Emails Sent (10 Failed)
49 Surveys Posted
BALANCE AREA
9,956 Emails Sent (497 Failed)
3,860 Surveys Posted

The high email failure rate across the shire is of concern. The emails used were those registered by rate payers. It will be assumed the failure rate was due to redundancies and duplicates.

The resultant sample of 15,011 rate payers is still a more than adequate sample size for the purposes of the survey. The overall 26% response rate is of some concern, but not unusual.

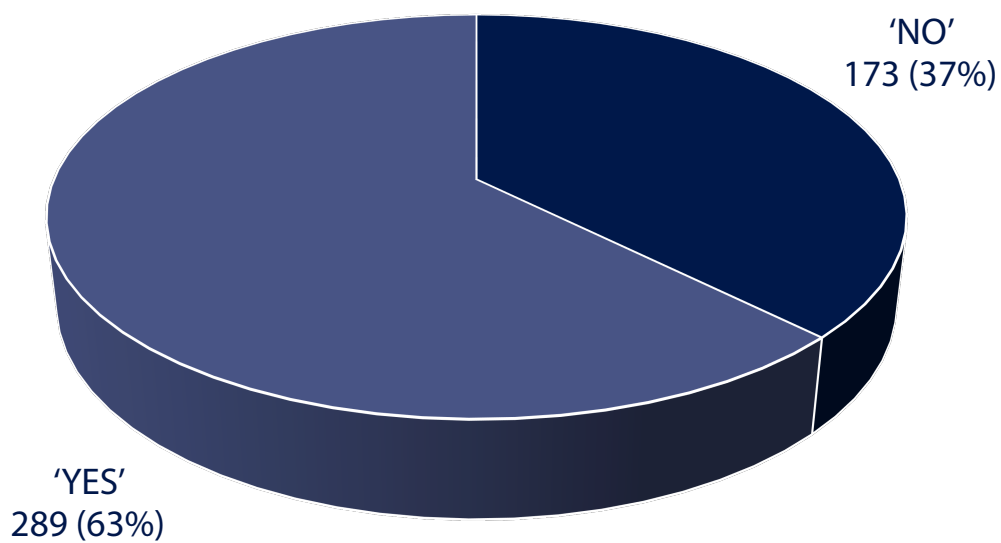
TABLE 1

LOCATION	YES	NO	TOTAL	% YES
Glenlee	92	61	153	60%
Rockyview	146	71	217	67%
Glendale	51	41	92	55%
SUBTOTAL	289	173	462	63%

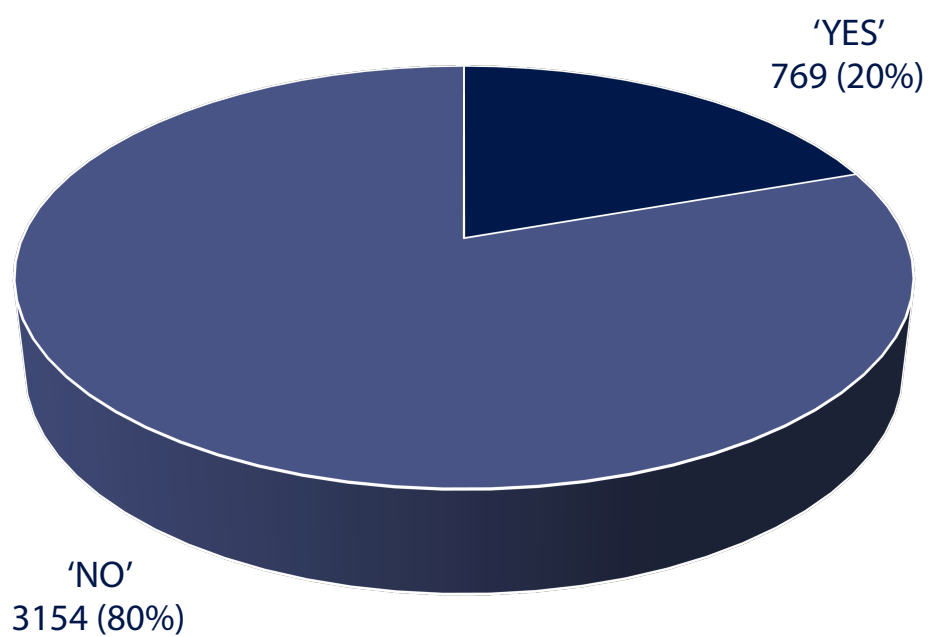
TABLE 2

LOCATION	YES	NO	TOTAL	%YES	RESPONSE RATE (%)	TOTAL SENT
Glenlee, Rockyview & Glendale	289	173	462	63	39	1,195
LSC Balance	480	2,981	3,461	14	25	13,816
TOTAL	769	3,154	3,923	20	26	15,011

GLENLEE, ROCKYVIEW AND GLENDALE RESPONSE



TOTAL SHIRE RESPONSE



HIGHLIGHTS

- For the shire, approximately 80% of the 3,923 rate payers who responded do not support the proposed boundary change.
- 39% of Glenlee, Rockyview and Glendale rate payers responded to the opportunity to express a view on the proposed change.
- Approximately 63% of responses received from the three suburbs still support the boundary change.
- This means only 24% of Glenlee, Rockyview and Glendale rate payers have taken the opportunity to support the change in this survey.

SURVEY 2

Using Council's community engagement platform "Get Involved", all residents of Livingstone Shire were afforded the opportunity to make a comment and respond 'Yes' or 'No' to the proposed change. The same question was used as in Survey 1. The results and key themes for and against the change are presented in Tables 3, 4 & 5.

TABLE 3

LOCATION	YES	NO	TOTAL	% YES
Glenlee, Rockyview & Glendale	100	29	129	78%
LSC Balance	33	441	474	7%
SUBTOTAL	133	470	603	22%

There was also ten invalid hard copy submissions.

The comments and general responses provided a range of reasons for supporting or opposing the change. Responses have been reconciled under a number of key themes and presented below. Responses in full will be provided as an addendum.

'GET INVOLVED' (ALL RESIDENTS) RESULTS

TABLE 4 ('No')

RESPONSE THEME	NUMBER	%	COMMENTS
There has been enough change or insufficient justification for the change	36	8	Change fatigue evident
Unacceptable risk to Council viability and consequences for rate payers	66	14	Reflects concern about relative rates burden already present
RRC not expected to be any better than LSC	13	3	Mostly from residents of the three localities (Glenlee, Rockyview and Glendale)
A step to re-amalgamation/land and \$ grab	9	2	Several 'Yes' respondents suggested boundary review should not stop at these three localities
Miscellaneous other reasons	28	6	The growth potential of the area features in several comments
No reason specified	318	67	Includes 193 hard copy 'No' responses with no further comments
TOTAL			470 RESPONSES

Notes:

- Among the miscellaneous responses there were several suggestions that the new Council had to work hard to better engage and deliver services to Glenlee, Rockyview and Glendale.
- Several responses also commented on the growth potential of the localities being investigated.
- There were also several secondary comments that, should the review determine the change should happen it must come with adequate compensation, including current and future development.

TABLE 5 ('Yes)

RESPONSE THEME	NUMBER	%	COMMENTS
The proximity to Rockhampton and relationship with that community	41	28	These respondents included it as the main theme, but others made reference to it as well
RRC will deliver improved services	24	20	No real substantive evidence provided to support this
Rates will be lower, with a focus on water rates	6	4	Suggests this is not a substantive issue. Many misunderstood water pricing.
These localities should not have been included in the de-amalgamation (2014)	13	9	Some frustration with being constantly surveyed.
Miscellaneous other reasons	18	13	
No reason specified	31	26	
TOTAL			133 RESPONSES

Notes:

The miscellaneous responses included several comments suggesting that the review should only consider the views of the residents of Glenlee, Rockyview and Glendale.

Several comments relating to water charges demonstrated a misunderstanding about how charges are calculated.

HIGHLIGHTS

- Of the total submissions ~75% are opposed to the change.
- Less than 5% of adult residents from the three localities took the opportunity to register a submission.
- This compared to a 39% response rate for Survey One, suggesting Survey 1 provides a more statistically valid representation of the views of residents from the three localities.
- Of the 129 residents from the three localities who made a submission, approximately 100 (79%) still expressed support for the change. However, this only represents ~ 4% of the adult population so must be treated with some caution.
- As evidenced by the level of detail in the responses, there remains a small but passionate group in support of a boundary change.
- The high hard copy 'No' vote (193) reflects the strong opposition to change and deep concern about rates affordability across the whole shire.

COMMENTARY

SURVEY 1

This survey required a simple email response or a postage paid mail response if no email was registered with Council. Only 39% of a possible 1,195 rate payers from the three suburbs decided to respond. Of those 63% did support the change. That means only 24% of eligible rate payers in the three localities felt strongly enough about the proposed change to formally support it.

Approximately 80% of responses overall did not support the change.

Of note, the response rate to an independent poll of registered voters in the three localities in 2014 was 65%. This is well above the 39% response this time, suggesting the level of concern amongst residents about this issue has diminished over time. The support for change in 2014 averaged 72% across the three localities. That has now reduced to 63%, again reinforcing that interest and support for a change have declined.

SURVEY 2

The 'Get Involved' online survey response rate was low (~5%) within the three localities, although not inconsistent with other unassociated 'online' surveys. The survey required participants to register. Registration is straight forward and required as one way of maintaining the integrity of results.

As a result, a much stronger response from residents in the three localities would have been expected if there were strong support for the proposed change. There are approximately 2,400 residents over 19 years of age in the three localities. This means only 129 commented and only 100 registered support for the change.

The strongest theme of submissions in support of the change is the proximity of Rockhampton (28%). This outcome is unsurprising. A belief that service levels would improve motivated a further 24%. No evidence supporting this was provided. This perception seemed to be somewhat founded on a misunderstanding of water pricing. Of note, service level protocols and maintenance standards for infrastructure such as parks, footpaths and roads were checked and there has been no material change since de-amalgamation.

The one dimensional rationale that proximity to Rockhampton alone should be the determining criteria, ignores other factors discussed herein that must be accounted for in the review. The simplistic view *"that's what they want so just give it to them"* is also anecdotally the rationale for what limited support the change has in the balance area. If the location of the boundary was simply by popular choice, it is likely the Commission would be confronted with a constant stream of similar requests from across the State.

Over 75% of all submissions were opposed to the change, citing rates and service level impacts as their major reason. Also coming though strongly is a level of change fatigue. Amalgamation followed by de-amalgamation and then a number of natural disasters since Cyclone Marcia in 2015 have likely contributed to this.

Use of RRC Infrastructure and Services

RRC support the boundary change as they believe their ratepayers are subsidising the use of Rockhampton infrastructure and services by residents of the three localities. An unsubstantiated annual amount of \$5 million has been claimed publicly.

Rockhampton is a large regional centre for services and employment. People from all surrounding areas travel to Rockhampton for work, recreation and to access services such as health and education.

As evidenced below, in relative terms, significantly more people commute there daily from other parts of Livingstone Shire and other areas. To single out the impacts from just these three localities for analysis ignores the much greater impacts from other areas. The use of Livingstone Shire infrastructure by RRC residents for recreation is significant and the daily work related commuter traffic to the coast is also increasing.

The Queensland Government Statistician's Office Journey to Work data and analysis by 'Economy id' provide an approximate insight into the relative movements between the council areas.

Population/Journey to Work Statistics:

- There are 10,319 jobs located in Livingstone Shire
- Approximately 7,335 Livingstone residents work in the Shire
- Therefore **2,984** people commute from outside the Shire (mainly Rockhampton) daily for business.
- 7,222 Livingstone residents commute outside the Shire for work. They will principally work in Rockhampton or the resources sector to the west.
- Over **5,000** people commute to the RRC area for work. The majority reside in Livingstone.
- The working population of the three suburbs from the 2016 census is **1,820**. As there is very limited employment in the area it can be assumed the majority (> 90%) commute to Rockhampton, the resources sector or elsewhere in Livingstone for employment. The majority (~ 80%) will work in Rockhampton. As a result, approximately **1,300** residents of the three localities can be assumed to commute to Rockhampton for work.
- This means approximately **3,700** people from other parts of Livingstone are commuting to Rockhampton for employment.

The Capricorn Coast and Keppel Bay are also a favoured recreation destinations for the residents of RRC. In 2016 there were 4,825 registered trailer boats registered in the RRC local government area. The number is growing by ~3 % per year (Rockhampton Regional Council Fishing Strategy). The majority of these will regularly use and consume Livingstone Shire infrastructure. The cumulative impact on infrastructure and amenities will be significant. As further evidence, it has been reported that over weekends up to 70% of visitors to the foreshore lagoon in Yeppoon have been from Rockhampton. Livingstone Shire accepts this cost as part of the collaborative regional effort to enhance the lifestyles and prosperity of residents from both councils.

If infrastructure utilisation by the residents of an adjoining shire is to be grounds for compensation, clearly there are several stronger cases for compensation between the two shires than the one claimed. Up to 3,700 commute from other parts of Livingstone Shire to Rockhampton for work. Nearly 3,000 travel from Rockhampton to Livingstone for work and large numbers travel in both directions for recreation.

There is no doubt that the three localities have a close relationship with Rockhampton. The same argument could be made about the residents of all the smaller townships and rural communities of Livingstone Shire and other adjoining local government areas. As a large regional centre, Rockhampton is a natural centre for employment, health services, education services and district scale sporting and cultural facilities. Livingstone Shire is currently growing at a faster rate than Rockhampton. That is forecast to continue. Increasing construction activity on the coast is already evident. Much of this labour force currently resides in Rockhampton, so must commute to the coast. As this grows it will increasingly mean Livingstone Shire rate payers are subsidising the use of Livingstone Shire infrastructure by Rockhampton residents.

RRC rate paying businesses benefit greatly from the support of Livingstone Shire residents. Many may not be viable without it. The combined populations of both councils create the critical mass necessary to attract the level and scale of government services and commercial businesses that are enjoyed by Rockhampton residents. A more collaborative twin region approach would best serve the residents of both councils in the future. Residents of both councils work and play here almost homogeneously, living in many respects as one community. Any change that limits the capacity of either Council to deliver and maintain services and support growth will be to the detriment of the residents of both councils.

TRUNK INFRASTRUCTURE IMPACTS

Impacts on RRC Trunk Infrastructure

- The water network within Livingstone Shire is owned and operated by Livingstone Shire.
- Bulk water is purchased from RRC to service the needs of these and other areas, incorporating a trunk infrastructure component.
- There is no sewerage network possible for all but seven properties immediately adjacent to the boundary in Rockyview which they pay for.
- The major trunk road collector for this area is the Bruce Highway, a state government controlled and maintained road.
- There are only very limited offsite storm water impacts on Rockhampton.
- Residents do utilise district parks, sporting and cultural facilities, as do people from the Caves, Cawarral and other adjoining shires.
- The only real impact is the use of district parks and sporting facilities. This impact is more than offset by increasing use of Livingstone Shire infrastructure by Rockhampton residents for work and lifestyle.

Communities of Interest Conclusions

Over 75% of rate payers and residents are opposed to the boundary change. A majority of ratepayers and residents from Glenlee, Rockyview and Glendale who responded to the surveys still support the change.

The response rate from within the three localities was low however. The direct ratepayer mail-out survey response rate (39%) and level of support for the change (63%) have significantly declined since the poll in 2014. It recorded a 65% response rate and 72% support for the change. Although 78% of responses from the three localities 'on line' supported the change, only 5% of adult residents from the three localities registered a submission. The results demonstrate interest and support have declined since de-amalgamation.

The argument about relative infrastructure utilisation between two councils with communities that work and play in such an integrated and homogeneous way is a circular one. Relative impacts will be constantly changing and evolving as each area grows and changes. Rather than focus on it as a cost, both councils would be better served by collaborating and celebrating the fact that increased utilisation in either Council means growth and that is strategically good for both.

In accordance with advice of Minister Hinchliffe on 25 August 2020 Queensland Government policy dictates that a boundary change of this scale requires the agreement of affected councils and communities. Clearly this submission demonstrates that LSC opposes the change and the broader LSC community of interest also oppose the change.

These results demonstrate there are no overarching material or substantive communities of interest matters that would warrant such a significant change to the local government boundary. On the contrary, a change that would significantly exacerbate financial liquidity risk and place an unreasonable and avoidable additional burden on ratepayers should be treated with great caution. That is particularly so in light of the financial consequences clearly articulated in other sections of the submission.

Financial Sustainability and Resource Capability Assessment

UPDATED FINANCIAL IMPACT STUDY

An independent review of the financial impacts of the proposed boundary change was completed by Orion Consulting in 2017. Amongst other things it highlighted that statutory financial sustainability and associated performance measures would struggle to maintain baseline standards over the ensuing 10 years. The loss of these locations would represent approximately a 7% reduction in the rate revenue base and a net operating deficit of > \$2 million per annum.

Given the decision by the Minister to proceed with a boundary change review in 2019, it was timely to update the 2017 study to inform a Council submission to the Commission.

Council appointed AEC Group to update financial impacts. This study was completed in November 2020. The study reinforced that the proposed change would place financial sustainability at risk and make LSC extremely vulnerable to even minor financial shocks in the short to medium term.

QTC has now completed a financial assessment of the proposed change on both RRC and LSC. This will be the financial modelling used to inform the work of the Commission in determining whether to recommend a change to the current boundary. The assessment has been completed using the current financial status and forecasts from both councils. As a result it is appropriate that Council now use this data for the purposes of this submission for the period modelled by the assessment (2024/25 to 2030/31).

QUEENSLAND TREASURY CORPORATION ASSESSMENT

Key QTC Assessment Findings for LSC if the proposed change proceeds include:

- Operating surpluses over the seven years would be reduced by \$26.4 million.
- As a result the key financial sustainability measure of 'operating surplus ratio' would reduce from an average of 4.1% to 1.0%.

- Future earnings (EBITDA) are forecast to remain adequate to support future debt repayments.
- The findings assume Council's aggressive debt repayment schedule continues throughout the period reducing debt from \$65.2 million to \$7.3 million by 2030/31.
- Council's cash balance would be \$21.0 million lower by 2030/31. As a result Council may experience significant cash shortages from 2025/26. A QTC overdraft facility is available to maintain restricted cash balances.
- In spite of the negative impacts on operating surpluses and liquidity some flexibilities may exist to help mitigate any future negative variances or one off shocks. It is not clear what these flexibilities are.
- There is currently a significant variance of views about the amount of debt that would transfer if the change proceeded. The result has obvious implications for Council's debt reduction strategy.
- Rating impacts were estimated on the basis that the foregone surplus will be fully recovered from continuing ratepayers.

Clearly the assessment has found that the operating surpluses would be significantly impacted by the proposed change. The assessment assumes no financial shocks or the need for additional borrowings throughout the period. It assumes that some additional flexibilities may be available to enable responding to emerging financial headwinds or one off shocks. Increased rates or reduced service levels are likely. The assessment understates or ignores the current and emerging risks including:

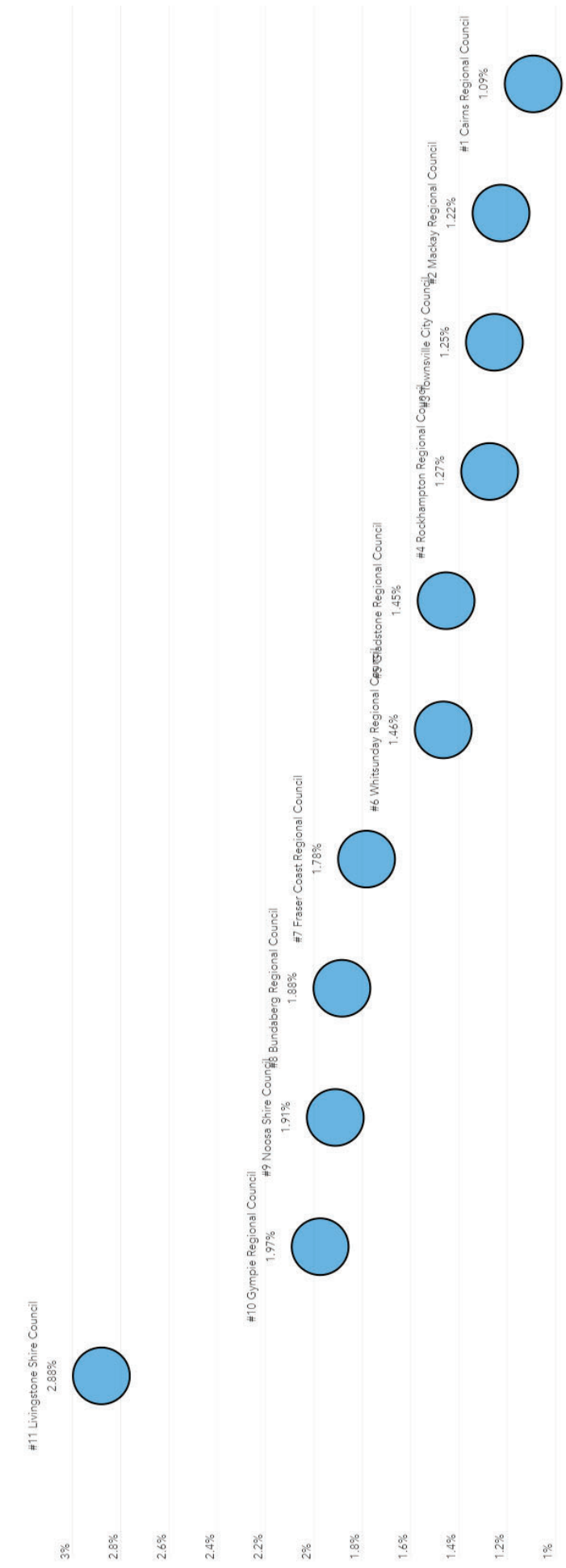
- Significant increases in plant and equipment costs due to further supply chain constraints and inflationary pressures globally.
- Employee cost increases in response to inflation, government policy and skills shortages.
- Possible increase in frequency and severity of one off weather events.
- The property industry reports that city to regional migration post pandemic created demand for an additional 650 dwellings on the Capricorn Coast in the year to 30 June 2021. This places an additional demand on new trunk infrastructure.
- The ongoing revenue impacts of property transfers to the defence force at Shoalwater Bay.

In committing to no additional borrowings at all, Council is forgoing the opportunity to borrow for additional growth and regional advancement beyond what can be sourced from grant programs.

The 2020 AEC study demonstrates the possible impacts on the major financial measures of relatively minor changes to these key budget inputs. It stress tested a 0.5% reduction in forecast revenue, 0.25% increase in operating costs and 0.5% higher depreciation. This clearly demonstrated that even small variances would erode operating surpluses and move liquidity to unsustainable levels. (*ref. AEC report, "Financial Impact Assessment of Potential Boundary Change"*)

By way of an example the net impact of five major weather events from 2014 to 2017 was \$4.8 million. A precautionary approach to climate change suggests it would be prudent to assume several events over each 10 year period. Which could potentially be getting more severe. While the impacts are mitigated by disaster relief funding to some extent, major events would put any projected surplus at risk. Cost pressures due to global supply issues and rampant inflation have also become very real over the last year. While these scenarios are not directly modelled (*ref. AEC Report Section 4*) they are casual elements leading to the possible downside variance scenarios modelled by AEC in the 'Stress Test'. It is fair to say that since the work was completed, the risks associated with macro financial factors has made the prospects of more difficult conditions increasingly likely.

Benchmarking of Rating Effort within Coastal Provincial Segment 2018/19



Source: LGAQ Ready Set Go.

RATING IMPACTS

The assessment forecasts the possible impact on the rates for continuing LSC rateable properties if the forgone surplus is to be fully recovered. The result would be an additional \$161 per property in 2024/5, increasing to \$250 in 2030/31. While an increase of this scale would be of concern for any council, it is particularly so for LSC. As demonstrated by the benchmarking provided in the 2020 AEC report (refer 'Rating Effort' graphic - see page 20) LSC ratepayers are already subject to a rates burden that is becoming unaffordable for many residents.

In contrast the impact for RRC ratepayers of \$36 in 2024/25 reducing to \$14 in 2030/31 is insignificant and of diminishing benefit. The assessment for the three transfer suburbs identifies an annual \$673 benefit for ratepayers. The main drivers of this benefit are reduced water consumption (\$306) and other (\$288). Both require further analysis to understand water pricing differences and the difference in other charges. It is worth noting that RRC no longer have a 'large residential allotment' rating category. This will mean normal urban residential rating category ratepayers will be cross subsidising the delivery of services to these rural residential areas.

LONG TERM IMPACTS (NOT MODELLED BY QTC)

The Queensland Treasury Corporation assessment only models the period 2024/25 to 2030/31. Council believes the future growth potential for the area should also be considered by the Commission. To this end the 2020 AEC study also modelled the longer term impacts on the operating result and rating impacts over the longer term in response to one future growth scenario. The scenario is derived from RRC planning assumptions and latest QGSO growth series data. The operating result outcomes are summarised below.

The net operating result loss outcomes for real discounts rates of 0%-4% are outlined below:

- \$18.5-\$22.0 million over 10 years
- \$31.1-\$44.2 million over 20years
- \$40.6-\$68.8 million over 30 years
- \$48.1-\$97.7 million over 40 years
- \$54.0-\$131.5 million over 50 years

CONCLUSIONS

The QTC Assessment is based on the best case current and medium term forecast financial data from both councils to inform the review.

The positive financial forecasts continue to be based on **severe spending restraint, very constrained borrowings and an extreme rates burden** on LSC ratepayers.

The assessment confirms the change will **significantly reduce operating surpluses and operating cash balances** and have a net negative impact on LSC.

The assessment forecasts the need for **significant rating increases for LSC**. The alternative would be a **material reduction in service levels**. The forecast rate increases are sufficient to make the rating burden **unaffordable for many residents**. It would also provide a disincentive for future development.

City to regional development post pandemic will place a significant demand on trunk infrastructure. The proposed change would compound the challenges associated with this.

The assessment **does not acknowledge the current and emerging financial headwinds** for Council other than to point to possible flexibilities and the use of a QTC overdraft facility to mitigate liquidity risk.

The assessment does not model the **potential strategic impacts** on LSC due to the **loss of the growth potential** in the transfer suburbs.

The assessment did not discuss the **need for compensation** for LSC in the event the Government determines to proceed with the boundary change.

Town Planning Assessment

BACKGROUND

One reason RRC have given for supporting the change is to ensure the urban settlement pattern of Rockhampton City can proceed in an orderly manner.

The strategic planning designation in the 2015 Rockhampton Region Planning Scheme extends 'new urban' development in Parkhurst to the boundary with LSC. An approved development for approximately 1,800 residential allotments immediately south of the boundary has not commenced. An approval for 466 rural residential allotments adjacent to the existing Glenlee rural residential area has also not progressed.

The future settlement pattern, planning assumptions and development outcomes for RRC are contained in the Rockhampton Region Planning Scheme 2015, Version 2.1 that commenced on 3 March 2020. Among other things an Interim Local Government Infrastructure Plan Amendment updated population assumptions.

ANALYSIS

To determine if an efficient Rockhampton settlement pattern will be impacted by the current Local Government Area Boundary it is necessary to determine how the latest forecast Estimated Resident Population (ERP) will be accommodated over time on land designated for residential development in the relevant planning instruments.

The latest QGSO resident population data and RRC residential demand planning assumptions are fundamental to understanding any possible town planning constraints related to the proposed change. RRC have allocated over 80 % of future residential growth to Parkhurst and Gracemere, hence these will be the focus areas.

Below are the Estimated Resident Population history and medium series growth forecast for RRC. LSC data is provided for comparison.

Table 1. Estimated Resident Population and Growth

As at 30 June	Population	Annual Growth Rate	
	Rockhampton (R) LGA	Rockhampton (R) LGA	Livingstone (S) LGA
	Persons	- Per cent -	
2014	82,136	0.5	2.2
2015	82,026	- 0.1	1.4
2016	81,322	- 0.9	1.0
2017	81,193	- 0.2	0.9
2018r	81,051	- 0.2	0.9
2019p	81,512	0.6	1.2

Next planned update: April 2021

Source: ABS 3218.0, Regional Population Growth, Australia, various editions

Table 2. Population Projections (Medium Series)

As at 30 June	Population	Average Annual Growth Rate	
	Rockhampton (R) LGA	Rockhampton (R) LGA	Livingstone (S) LGA
	Persons	- Per cent -	
2016	81,589	n.a.	n.a.
2021	84,532	0.7	0.9
2026	88,680	1.0	1.6
2031	93,444	1.1	2.0
2036	98,567	1.1	2.0
2041	104,153	1.1	1.6

n.a. = not available

(a) 2016 data are estimated resident population (ERP)

Next planned update: November 2021.

Source: Queensland Government Population Projections, 2018 edition (medium series)

Table 3 records data drawn from QGSO and RRC planning assumptions that bears directly on future demand in Parkhurst. Parkhurst is the suburb immediately south of the current boundary. The boundary in this area is effectively formed by Ramsay Creek which may itself present a development constraint.

Table 3. RRC Planning Assumptions Estimated Resident Population (ERP) Forecasts VS QGSO Forecasts

	RRC LGA	Parkhurst	Gracemere	QGSO Low	QGSO Medium
2021 ERP	86,104	2,502	11,310	83,308	84,532
2031 ERP	94,448	6,211	15,189	86,956	93,444
2036 ERP	98,237	8,527	16,405	88,402	98,567
Ultimate Capacity	131,915	14,008	19,938	N/A	N/A

NOTES

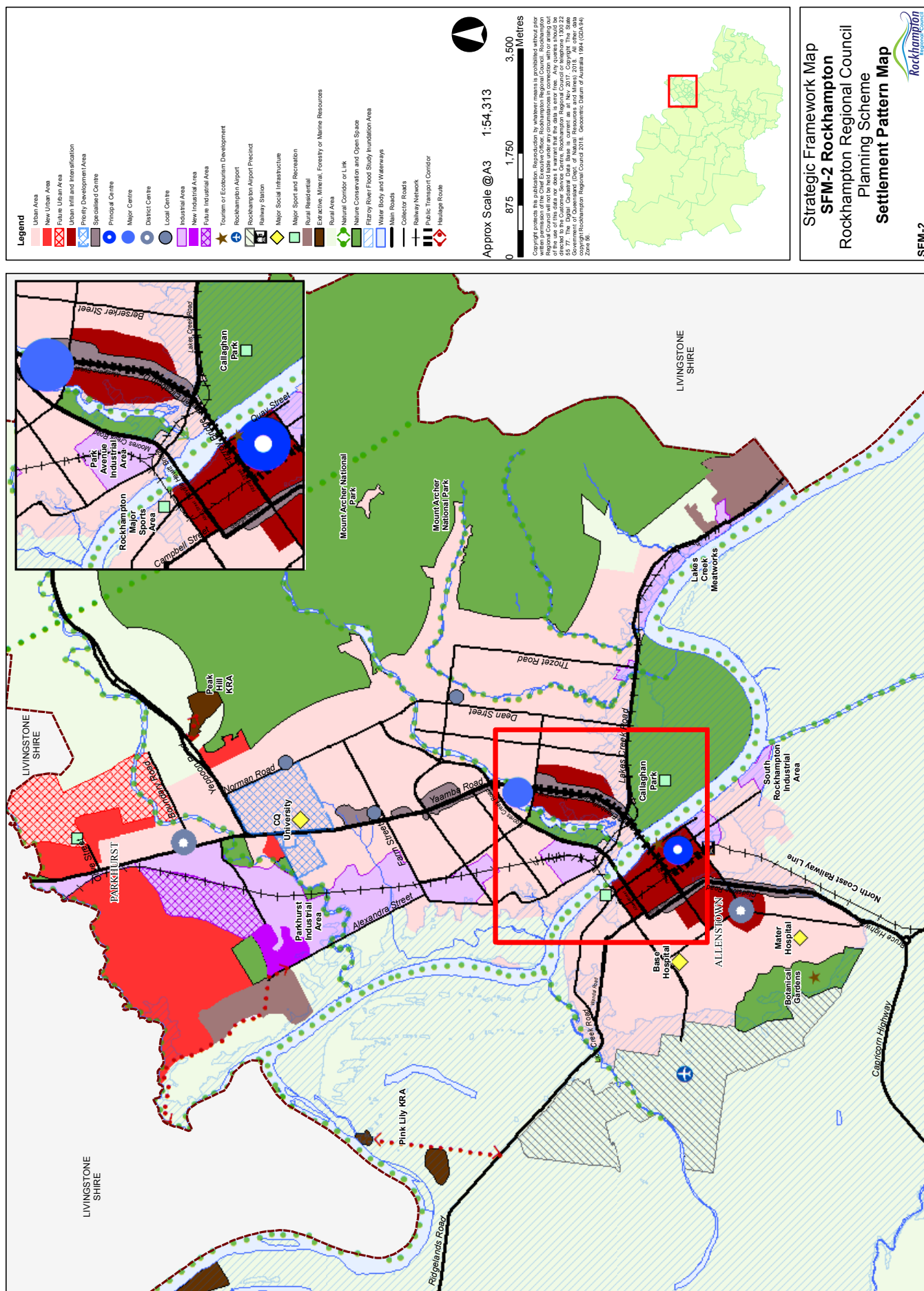
- The suburbs of Parkhurst and Gracemere have been highlighted because the 2015 RRC Planning Scheme planning assumptions have designated > 80 % of RRC residential growth to 2036 in these localities. Also Parkhurst is a locality adjacent to the boundary with Livingstone (ref. Maps 2 & 3).
- The remaining ultimate Estimated Resident Population (ERP) in these two localities post 2021 is 20,134 ERP \approx (~ 7,750 dwellings). QGSO medium series growth (2021 to 2036) for RRC is 14,055 ERP. Assuming 80% of the growth occurs in Parkhurst/Gracemere that equates to ~ 11,250 ERP. That means there will be spare capacity post 2036 in these two localities alone for an additional 8,900 residents (~ 3,400 dwellings).
- If the QGSO low series is used the post 2036 spare capacity increases to 16,050 ERP (~ 6,175 dwellings).
- Selecting appropriate population growth assumptions for planning purposes must take into account that RRC population is estimated to have declined in four of the past five years. In this context using medium series forecasts is an optimistic view.
- While short term economic activity is currently being generated by a number of major government infrastructure projects, the only perpetual growth continues to be as a result of the resources industry and government services sectors.
- These scenarios have been derived using RRC planning assumptions and official QGSO forecasts. Therefore, it is reasonable to assume there will be no demand for urban residential expansion into Glenlee until after 2041, or well beyond the current strategic planning horizon.
- This also assumes residential preference trends and affordable housing strategies don't result in higher density (higher yields) in the medium to long term. A trend to more efficient lifestyles may also increase the trend to higher density living around Rockhampton CBD.
- The RRC planning assumptions do assume an ultimate additional post 2021 yield of 4,660 residents in the CBD. That could easily be increased if there was a demand.

COMMENTARY

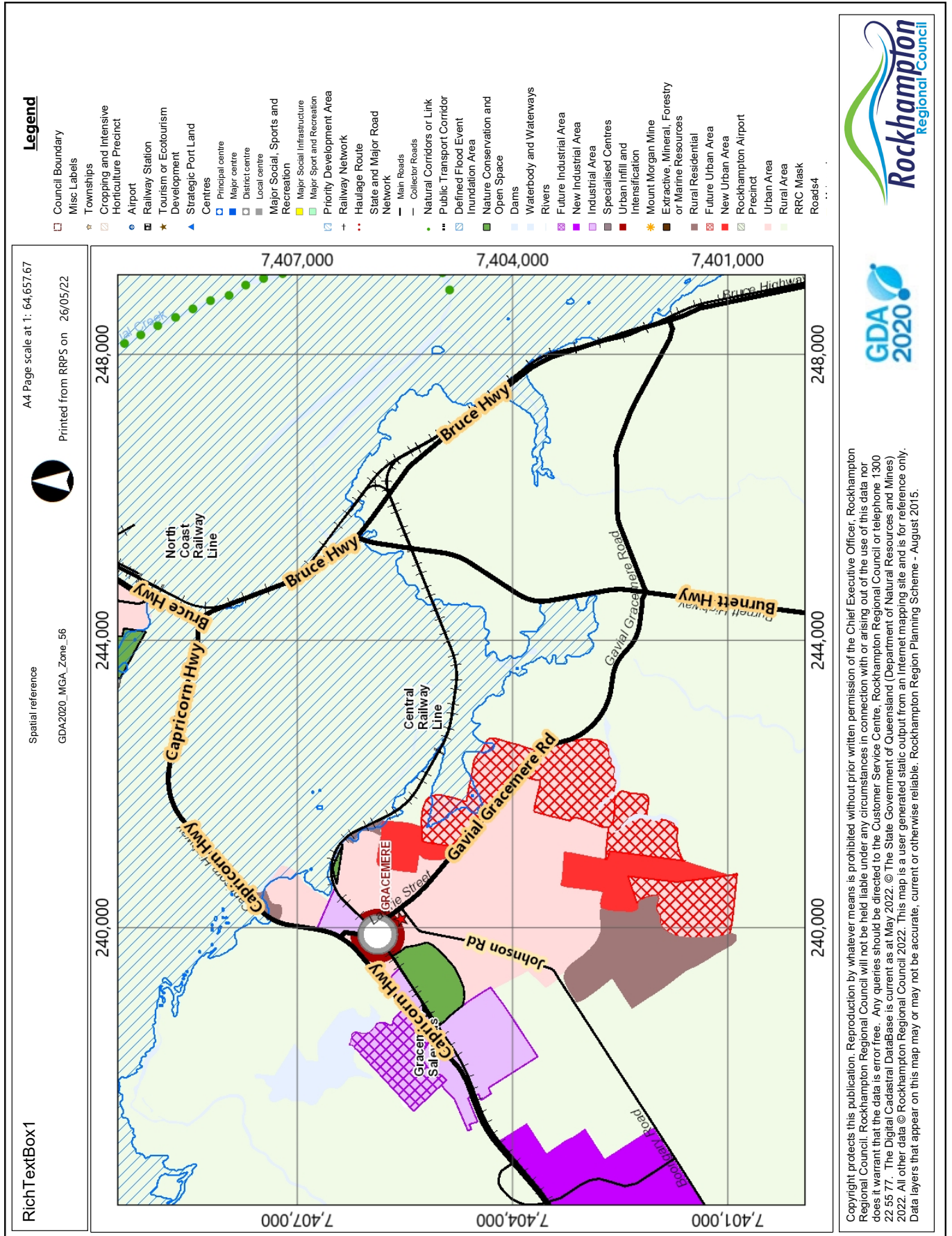
RRC has included town planning (settlement pattern constraints) among the reasons it supports the proposed boundary change. During the LSC plan making process RRC expressed a concern that Glenlee in particular is important to the long term growth of Rockhampton City. That matter was settled as part of the plan making process.

The Rockhampton Regional Council Planning Scheme Strategic Plan categorises the area immediately south of the boundary (Parkhurst) as 'New Urban' (ref. Map 2). By definition this means the land is designated to accommodate urban development until 2026 (10-year horizon). The Planning Scheme commenced in August 2015 (there have been two amendments since). The 'New Urban' designation up to the boundary was made to reflect a current development approval for more than 1,800 residential allotments. In the absence of that approval, significant sections would have been designated 'Future Residential'. To date no development has commenced. In light of the estimated population growth estimates that is unsurprising. The development of this area has also been impacted by the lack of an appropriate grade separated road access over the north south rail corridor to the Bruce Highway.

Rockhampton Region growth has trended below the low series forecast since commencement of the Planning Scheme in 2015. As derived from independent growth forecasts and planning assumptions, spare capacity will remain post 2036 for between 9,000 and 16,000 additional residents in Parkhurst and Gracemere. It is reasonable to assume there will be no requirement for any extension of the Rockhampton's urban footprint in this area until the 2041 to 2046 forecast period.



RRC 2015 Planning Scheme Framework Gracemere Settlement Pattern (Map 3)



Longer Term Growth Consideration

The possibility of an unforeseen new regional growth trigger always exists. Should that occur it is clearly not in the interests of LSC to sterilise land from its 'highest and best use'. Reducing this risk further for Rockhampton, there are statutory public and state interest tests associated with Plan Making and Development Assessment that must be negotiated before Council can significantly change the intended use of the land or approve a development that is inconsistent with the planning scheme (which includes any State interests).

These include:

- *Plan Making Stage 2, Step 6 State interest review;*
- *Plan Making Stage 3, Public Consultation;*
- *Development Assessment Rules Part 2, Referrals (typically state interests);and*
- *Development Assessment Rules Part 4, Public Notification*

There are over 1,400 hectares of land currently held in large allotments (>75 hectares) in Glenlee. The current Livingstone Shire Planning Scheme land use intent for the balance of Glenlee, not contained within the current rural residential zone is 'Rural'. The preliminary approval for a further 466 rural residential allotments (~330 hectares) to the immediate west of the existing rural residential uses is separated from the boundary with Parkhurst by at least two of these large allotments at the closest point. Even if the current approval progresses to its planned capacity it represents no foreseeable limitation to the growth of Rockhampton, even under the most ambitious scenario imaginable.

No development works have commenced on the 1800 plus allotment Stockland Development immediately south of the boundary in Parkhurst. There is also significant capacity for urban expansion to the immediate west and south west of Rockhampton in Gracemere. A four lane upgrade to the road connection between Gracemere and Rockhampton is underway, further enhancing its attraction. Council cannot see any current or long term scenario where the current boundary will be a constraint to urban expansion within RRC. The current owner of the majority of the rural land in Glenlee, the subject of this analysis is opposed to the boundary change. Correspondence to that effect is included as Attachment 2.

Town Planning Conclusions

Based on the Queensland Government Statistician's Office medium series population forecasts and Rockhampton Regional Council Planning Assumptions there is sufficient capacity within the existing Rockhampton and Gracemere urban footprint to accommodate growth until well beyond any current strategic planning horizon (2041).

Urban infill, likely higher dwelling densities in support of affordable housing and potential for further expansion in Gracemere will further mitigate any future demand constraints.

The land to the immediate north of the boundary in Glenlee remains in large rural allotments. The longer term land use interests of RRC are protected by the regulatory tests contained in Plan Making process and Development Assessment Rules.

The current local government boundary does not represent a town planning constraint for RRC.

Overall Commentary and Conclusions

This submission provides overwhelming evidence that the proposed boundary change is not in the public interest.

All shire rate payers and residents were provided the opportunity to register a position on the proposed change. Within the three localities a majority of the relatively small number that commented still support the transfer. However the participation rate was very low. It clearly demonstrates that this is not a matter that the vast majority of residents in the three suburbs consider a priority. The level of interest and support for the change has also declined since the last official survey in 2014. The change is overwhelmingly opposed by the balance of the shire.

6

Previous independent financial impact assessments and most recently QTC assessment of the financial impact on both councils future financial status demonstrates that the proposed change would have a negative impact on the financial sustainability of LSC. The rate increases necessary to mitigate the impact and maintain current service levels would add to an already high rate burden and be unaffordable for some residents.

A review of State Government population growth projections and Rockhampton's own planning assumptions demonstrate that the current boundary presents no town planning constraint for Rockhampton.

Other matters raised such as asset utilisation have no merit when considered in a whole of region context. In fact it can be demonstrated that the change would be detrimental to regional economic development and therefore not in the best interest of Rockhampton Regional Council rate payers. The change would limit the ability for Council to effectively respond to high rates of migration to the regions post pandemic.

The information and independent advice provided here demonstrate that a decision about the location of the boundary cannot be just a popularity quest. A change based on just this would of itself be a dangerous precedent. For both councils to grow and become more prosperous in the future they must be provided the opportunity to operate sustainably, deliver on reasonable service level expectations and be able to support regional growth.

Attachment 1

CHRONOLOGY

Glenlee, Glendale and Rockyview were historically always a part of LSC. As far back as 2006 there had been formal consideration of a possible boundary review. The issue was made redundant by council amalgamations in 2008.

Following a poll of impacted residents in 2013, the Governor in Council authorised the de-amalgamation of the original LSC to take effect from one January 2014. A majority of the residents of the three suburbs had voted against the de-amalgamation in the poll.

Some relevant correspondence and associated milestones follow:

26/03/13: Mayor Strelow of RRC wrote to Minister Crisafulli seeking a boundary alignment to retain the three suburbs and Nerimbera in RRC. The Mayor also notified the Minister that RRC would have no appetite for such a review post de-amalgamation.

17/04/13: Minister Crisafulli responded that the pre amalgamation boundaries would remain through de-amalgamation. Either Council could request a review should they wish then.

12/12/13: Mayor Strelow wrote again to Minister Crisafulli asking him consider leaving the three suburbs and Nerimbera as a part of RRC.

10/01/14: Minister Crisafulli advised that the process to request a formal review already existed if the community and LSC agreed to proceed with a review by the Commission post de-amalgamation.

November 2014: LSC engaged the AEC to conduct a voluntary poll of eligible voters from the three suburbs and Nerimbera. to better understand the views of affected residents. Only 65% of polled residents returned a vote. Of those 69 % voted for a transfer to RRC.

10/10/16: Mayor Strelow wrote to LSC seeking agreement to ask the Minister to request a boundary review. The correspondence included an offer of compensation equivalent to 3 years of the general rate paid bi-annually upon the payment of rates.

20/10/16: Mayor Ludwig responded to Mayor Strelow that any formal response would not be possible until LSC completed a detailed financial assessment of the impacts of any boundary change and carried out further community consultation.

18/08/17: Mayor Strelow again wrote to LSC seeking support to commence a boundary review.

24/08/17: The Minister for Local Government, Mark Furner wrote to LSC seeking a formal view on whether LSC supported a boundary change transferring the three suburbs to RRC.

25/10/17: LSC responded to Minister Furner laying out the reasons it did not support a formal change review being undertaken by the Commission prior to the 2020 State Government Election.

12/04/18: Minister Stirling Hinchliffe formally offered to mediate a way forward on the merits of a boundary review.

21/06/18: Minister Hinchliffe met with Mayors Ludwig and Strelow to discuss a boundary review.

11/09/18: LSC responded to a draft TOR provided by the Minister that he proposed to direct the work of the Commission.

31/01/19: Minister Hinchliffe notified LSC that he was directing the Commission to carry out a boundary review and provided further direction by way of the TOR.

31/01/19: Minister Hinchliffe requested the Commission to carry out the review.

27/02/19: The Commission notified LSC it had been requested to carry out a review, reiterated the TOR, suggested actions councils may wish to take and laid out a possible timeline for the work, subject to other demands on the Commission.

05/04/19: The Commission notified LSC that due to capacity constraints within the Commission, the boundary review would not occur until after the 2020 October State elections.

26/05/20: LSC wrote to Minister Hinchliffe to inform him that the newly elected Council had considered the boundary review and resolved to oppose a review and any transfer of the suburbs of Glendale, Rockyview and Glenlee to RRC. The Minister was also asked to consider ceasing the review on a number of grounds.

12/06/20: Minister Hinchliffe notified LSC that the boundary review would proceed and that he had forwarded Council's correspondence to the Commission.

26/06/20: The Commission wrote to LSC updating the latest timing for conducting the review. Given the elapsed time, the Commission was also seeking to re-confirm Council's position on the boundary review.

03/07/20: Mayor Ireland responded to the Commission, providing the LSC comments on the draft TOR.

12/08/20: Minister Hinchliffe met with Mayor Ireland, Deputy Mayor Belot and Mary Carroll of Capricorn Enterprise to discuss Council concerns about the review. The Minister was provided an update summarising the reasons for the position Council was taking.

25/08/20: Minister Hinchliffe wrote to LSC to summarise the outcomes from the meeting of 12 August 2020. Importantly clarifying that he did not believe the TOR precluded the review from considering the whole shire as a community of interest. The Minister also confirmed that Queensland Government policy for boundary changes of this scale requires that both councils and affected communities support the change.

08/09/20: Mayor Ireland again wrote to the Commission to re-confirm and remove any doubt as to the LSC opposition to the change and the review.

16/09/20: The Commission responded by acknowledging that the newly elected Council does not support the boundary change or the review. The Commission also clarified that financial sustainability would be the first matter addressed by the Commission.

08/10/20: Mayor Ireland wrote to the Commission seeking an update on the likely timing of the review.

26/10/20: The Commission responded that subject to other priorities the most likely timing of the review would be in the second quarter 2021.

29/04/22: The QTC published a 'Financial Assessment For Local Government Change Commission' analysing the financial impacts of the proposed change on both councils.

Attachment 2

LETTER FROM [REDACTED] OPPOSING THE BOUNDARY CHANGE

20 November 2020

Mayor Andy Ireland
Livingstone Regional Council
PO Box 2292
Yeppoon Qld 4703

Via Email (Mayor@livingstone.qld.gov.au)

Dear Mayor Ireland,

Proposed Boundary Change – Livingstone Regional Council

I am writing to you to express my concerns regarding the proposed realignment of the Livingstone/Rockhampton Council boundaries and the impacts that I believe this will have on your shire. Whilst I have responded to the survey released by Council, I felt that a letter to you personally could be added to the information received by the community and highlight my concerns.

As a significant landholder in the suburb of Glenlee, I believe the reallocation of this suburb, along with Glendale and Rockyview, will have a significant and negative impact on the shire.

Glenlee

As a significant land holder in the suburb of Glenlee (approximately 785,131 Ha) I have had the good fortune to work with your teams over many years, which culminated in an approval to facilitate 575 rural residential allotments over a the northern portion of the landholding fronting Dawson Road, Glenlee. This application was pursued with Council as it was recognised and demonstrated through our economic analysis there are a continued demand for rural residential 'Lifestyle' lots in the region.

At the time of our application our economic research identified that Livingstone Shire was growing at a rate that required 382 new dwellings per year and it was estimated that rural residential properties would account for 80 new dwellings per year. Our development at Glenlee will be able to contribute to supporting this demand in the Livingstone Shire.

The proposed 575 lot subdivision at Dawson Road represents approximately seven years of the calculated regional demand for rural residential housing. This will be a major addition to the overall regional supply of rural-residential land and is considered reasonable given the concentration of this form of development in the local area and the popularity of this form of residential development.

The market demand for rural residential properties is expected to remain strong as a result of the following:

- A lack of regional supply for this popular form of housing that is attributed to planning policies;
- A residential product that is a good match for the lifestyle of the region
- The opportunities created by rural residential development including higher rates of home based businesses, residential choice, and housing diversity.

This and other developments in Livingstone Shire will make significant contribution to the financial/rates base of the Shire as it continues to go. To have this financial contribution removed from Council's budget, in my view will have significant impact on the Council's ability to continue to provide and enhance the services to its residents.

Click or tap here to enter text.

The strong link between the suburbs of Glenlee, Glendale and Rockyview and how they represent a lifestyle that aligns with and is promoted by Livingstone Shire for its residents. In my view, this an important aspect to the success of these suburbs as 'lifestyle' lots.

As someone who has lived, worked and been involved in the property industry in the region, I share Council's concerns about the financial impacts the boundary change will have on the financial base for Council. I believe the reallocation of these development fronts from Livingstone Shire will have a negative impact on the rates base, affordability of living in the shire and the services that can be provided by the Council.

Since de-amalgamation in 2013, I believe Livingstone Shire Council has demonstrated its ability to cater for the needs of this residents and to provide the lifestyle sought by residents in the shire. The removal of these suburbs will have a negative impact on the Council and its residents and undermine the lifestyle sought by its residents.

I wish Council all the best with contesting the boundary re-alignment and support the actions taken to date. '

Regards,



Attachment 3

LETTER FROM MINISTER HINCHLIFFE MP TO LIVINGSTONE SHIRE COUNCIL 25 AUGUST 2020



Minister for Local Government,
Minister for Racing and
Minister for Multicultural Affairs

Our ref: OUT20/4472

Councillor Andy Ireland
Mayor
Livingstone Shire Council
mayor@livingstone.qld.gov.au

1 William Street
Brisbane Queensland 4000
PO Box 15009
City East Queensland 4002
Telephone +61 7 3719 7560
Email lgma@ministerial.qld.gov.au
Website www.dlgma.qld.gov.au

ABN 65 959 415 158

Dear Mayor

Further to our meeting held 12 August 2020, I would like to thank you for the discussion of the proposed boundary realignment between the Livingstone Shire Council (LSC) and the Rockhampton Regional Council (RRC). I appreciate you sharing the LSC's perspective regarding the proposed boundary realignment review that is currently with the Local Government Change Commission (the Change Commission).

As we discussed, pursuant to section 19 of the *Local Government Act 2009*, the Change Commission is responsible for assessing whether a Local Government change proposed by the Minister is in the public interest.

In addition to the above legislative requirements, the Queensland Government's policy for significant Local Government boundary changes requires that the affected Local Governments support the change and that the affected communities also support the proposed change. The policy provides that a referendum of all residents in the affected Local Governments will occur before any recommendations of the Change Commission are implemented.

In the meeting you raised your concern that while the former Mayor of LSC and Mayor of RRC had advised that they were supportive of the boundary change proposal, the impacted communities of Glenlee, Rockyview and Glendale are not the only communities impacted by the proposed change, as a change would impact the whole of the LSC. You indicated a broader consultation should be undertaken to give the vast majority of the LSC community an adequate opportunity to express their position on the proposed boundary change.

Given that other parts of the Local Government area would potentially be impacted by the proposal, it is my view that the current Terms of Reference would allow, without amendment, for community consultation to be undertaken within the whole LSC area.

If you require any further information, please contact [REDACTED] in my office on [REDACTED]

Yours sincerely

A handwritten signature in black ink, appearing to read "Stirling".

STIRLING HINCHLIFFE MP
Minister for Local Government,
Minister for Racing and
Minister for Multicultural Affairs

25 August 2020