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Subject: (56881) Livingstone Shire Council and Rockhampton Regional Council - External Boundary Review - Ewan Filmer
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Online submission for **Livingstone Shire Council and Rockhampton Regional Council - External Boundary Review** from **Ewan Filmer**

Submission Details

Name: Ewan Filmer

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02/07/2022

Pat Vidgen PSM
Commissioner
The Local Government Change Commission
GPO Box 1393
Brisbane QLD 4001

Dear Mr Vidgen,

Re: Livingstone Shire Council and Rockhampton Regional Council - External Boundary Review

I have been a resident of Rockhampton Regional Council for 18 years and a former manager at several Councils including Rockhampton Regional Council.

I voted 'Yes' for the boundary change to expand Rockhampton Regional Council and have carefully read each Council's submission, the QTC financial report and the planning report by the Department of State Development, Infrastructure, Local Government and Planning.

I was an employee of the former Rockhampton City Council from 2004 to 2008 when the former Fitzroy, Mount Morgan and Livingstone Shire Councils amalgamated but left the newly formed Rockhampton Regional Council in 2009 before the de-amalgamation of Livingstone Shire Council.

1. Current Proposed Boundary Change is Inadequate

In my view, the arguments that apply to Glenlee, Glendale and Rockyview being included in Rockhampton Regional Council also apply to The Caves (this polling place in the de-amalgamation poll included Etna Creek, Glenlee, Glendale and Rockyview) and to Nerimbera. These two polling places overwhelmingly voted against the de-amalgamation of Livingstone Shire Council in the poll on 9 March 2013, voting 'No' by 82.83% and 78.23% respectively.

The community of interest that exists at Glenlee, Glendale and Rockyview with Rockhampton, extends also to the Etna Creek and The Caves localities. These areas are essentially dormitory suburbs of Rockhampton. Many employees of the Capricorn Correctional Centre at Etna Creek live in Rockhampton. It would be logical and preferable to include these areas in the boundary change.

The preferences of all these residents are clear and have not changed with subsequent votes. It is worth noting that on 18 March 2013 shortly after the original poll, former Livingstone Mayor Bill Ludwig and Tom Wyatt who became the Deputy Mayor of the new Livingstone Shire Council both argued that these areas be returned to the Rockhampton Regional Council as promptly as possible.

THE two councillors who lead the charge for de-amalgamation have called for boundary realignments, sooner rather than later.

Crs Tom Wyatt and Bill Ludwig said yesterday they would 'go in to bat' for Nerimbera, Glenlee, Olive Estate, Rocky View and surrounding areas that voted to stay with Rockhampton Regional Council.

Cr Wyatt said it had been clear for many years that the overwhelming majority of people living in those areas considered themselves to be more a part of Rockhampton.

"The vote on March 9 has left that in no doubt, and it is time for the Livingstone representatives to sit down with the Minister and Rockhampton Regional Council, to sort this matter out for the good of the residents of those areas," he said.

Cr Ludwig said it would be more cost effective to make the changes sooner rather than later.

"When 83% of the community in those areas want to stay with Rockhampton, their wishes should be respected and acted upon," Cr Ludwig said.

He said the former Livingstone Shire council recognised this as was reflected in its 2007 proposal to undertake boundary changes for all areas that were effectively outer suburbs of Rockhampton.

"We now have the perfect opportunity to revisit that proposal and at last get the right outcome for the residents of those areas.

"This about everyone putting politics to one-side, and actually focussing on simply doing what is right for our respective communities," he said.

"With common sense and goodwill, I am confident an outcome can be achieved that will benefit all concerned, and give Rockhampton room for future urban growth and development."

<https://www.couriermail.com.au/news/queensland/rockhampton/ludwig-calls-for-quick-livingstone-boundary-realignment/news-story/7dcdd132a93ec0a1b31501064fe8b663>

2. Efficient Service Delivery

The delivery of local government services for these areas is more efficiently based from Rockhampton than Yeppoon. Although shared basic service delivery is a stop gap option, in the long term as the number of residents increase and their rates are being raised by one Council whilst services are delivered by another Council the problem compounds.

As a matter of principle, it is more democratic and efficient for the taxation of properties to be levied by the body responsible for delivering the services rather than an outsourced third party. Service levels, standards and complaints should not be overly complex contractual matters with Councils being able to deflect any problems to the other.

3. Long term land use planning by each local government

The planning issues report issued by the State Government on 18 May 2022 notes that; *"The main centres for population in the Livingstone LGA are Yeppoon and Emu Park, and planning for future population growth focuses on these localities and adjacent areas"* (p.4).

This point was also made in a recent report commissioned by Livingstone Shire Council; *"Livingstone's 5 Year Housing Demand Analysis"* by Matusik Property Insight and Broad Property Research & Advisory Pty Ltd released on 19th January 2021.

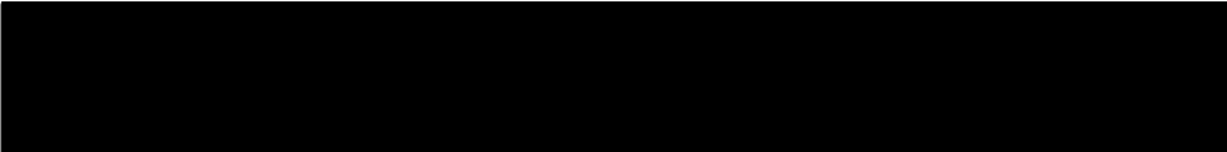
"Livingstone Shire's rate of annual population growth is increasing. The shire is expected to grow by 650 new residents per annum over the next five years. Most of this growth is expected to continue in two coastal locations being Emu Park and Yeppoon, with Yeppoon increasing its future market share" (p.13).

By far the bulk of growth will happen in Yeppoon (65%) and Emu Park (27%) and the report predicts only 2% of the 650 residents added annually to the Livingstone population will be in Rockyview and Glenlee areas. (P.20).

The report also states that only 5% of all new lots registered in the last five years in Livingstone have been in the Glenlee-Rockyview area, 81% were in Yeppoon. (p.38). Even the proposed smaller lots in a new application for the new 404-lot Mildura Rise Estate at Rockyview will not generate anywhere near the growth predicted for the Capricorn Coast.

Why is Livingstone Shire Council refusing to heed the residents of this area who identify with Rockhampton? It is certainly not based on the predicted future growth of the northern suburbs, as clearly the key drivers of the shire's future and its planning focus are Yeppoon and Emu Park. Clearly the plan is to continue to harvest the rates of high valued rural residential properties in the northern suburbs and to reduce the size of approved lots in future, generating more rateable properties.

The figures that Livingstone Shire Council itself submitted to the QTC verify that rates from the northern suburbs are not being equitably returned to the area where they were raised. The evidence provided that rates will increase in the rest of the shire to make up for shortfall if the boundary is changed, confirms the long term policy of milking one helpless area unfairly for the benefit of the rest of Livingstone.



Ironically there is simply no doubt after reading the data submitted in 2022 by Livingstone to QTC, that unjustified subsidisation by the northern suburbs is definitely happening and that this practice is fundamentally undemocratic. Indeed, Livingstone Shire's projections for their 10 year financial plan indicate that its inequitable long term rating policy will continue if the boundary between the Councils is not changed.

4. Unedifying and Manipulative Campaign by Livingstone Shire Council'

The 'No' campaign by Livingstone Shire Council has two very doubtful themes;

a) Destructive Impact on Livingstone Ratepayers

The QTC report confirms the figures submitted by both Councils indicate the impact on Livingstone will be 'negative' ie it will suffer some loss or financial disadvantage if the transfer occurs and Rockhampton Regional Council will not. Livingstone is falsely portraying this outcome as the ruination of a weaker local government by a larger Council, the mayor uses the emotive terms; 'total and utter land grab' and 'poaching' of the area by Rockhampton.

This tactic is calculated to retain the favourable status quo for Livingstone and to ignore the views of the directly affected residents who actually want the boundary change to happen. More importantly, the QTC report does not support the argument that Livingstone will become unviable.

The QTC report states the negative impact on Livingstone will be a decreased net operating result by \$2.8 million in 2024–25. If council were to fully pass this incremental impact through to ratepayers, this would increase the average rates and utilities bill by \$161 in 2024–25. This increase is forecast to grow to \$250 by 2030–31. Council would need to consider passing this through to ratepayers through additional charges and/or revising its service levels. P.6.

In my view this is not tantamount to 'diabolical consequences' for the Council such as insolvency or a cessation of basic services and new infrastructure. It is being presented as an unmitigated financial catastrophe by the Mayor and Councillors of Livingstone.

They well know that Councillors at every local government including Rockhampton Regional Council from time to time must undertake reviews of charges and services. In Rockhampton's case it is currently dealing with very high unbudgeted water cartage costs to Mount Morgan and the loss of funding from the State Local Government Grants Commission. This scenario has required some difficult decisions being made within the context of an unnatural restraint on the future expansion of Rockhampton.

Based on the QTC report it would not be a financial disaster for Livingstone Shire Council if the boundary change proceeded, especially if compensation was negotiated between the Councils. Inexplicably Livingstone Shire Council has rejected a previous offer 'out of hand'.

The QTC report has dealt with financial implications on Livingstone Shire Council in detail;

- p.14 Leverage, debt serviceability and operating performance metrics are still forecast to remain within preferred benchmark levels indicating some level of resilience.
- p.15 The average operating surplus ratio at Livingstone would reduce to 1.0 per cent (compared to 4.1 per cent in Base Case). This is still within QTC's preferred range, though it is at the lower end. This suggests that LSC will continue to recover sufficient revenue to cover its operating costs post the proposed transfer. Livingstone Shire Council refers to this as '*... a change that would significantly exacerbate financial liquidity risk and place an unreasonable and avoidable additional burden on ratepayers*'. P.18.
- p.15 Earnings before interest tax depreciation and amortisation (EBITDA, a measure of operating cash flow earnings) is still forecast to remain adequate (averaging 26.9 per cent of revenue over 2024–25 to 2030–31) to support future debt repayments.
- p.16 Overall, LSC would likely have sufficient flexibility to continue to make repayments on the reducing debt balances.
- p.16 LSC's assumptions regarding restricted cash and capital expenditure funding may also be conservative. LSC's forecasts indicate 90 per cent of capital expenditure post 2024-25 is assumed to be cash funded, with the remainder being funded by grants. This assumption is less than LSC's historical capital grants receipts, which have funded more than half of its capital spend on average over the last five years.
- As mentioned above, Livingstone Shire Council has made much of its growth forecasts for the next five years, predicting 3,250 new residents and an additional 1,650 new dwellings to be constructed, with little of this growth occurring in the northern suburbs. Like many others, I feel entitled to wonder whether the loss of 1,266 rateable properties in the northern suburbs will not be quickly restored by natural growth within Livingstone Shire well inside three years.
- Finally LSC's forecast of funding its future capital expenditure by only 10% debt is quite unrealistic. It artificially creates a cash flow problem that is not an outcome of the transfer. Livingstone is adopting a very unusual capital funding mix for long term infrastructure. Ninety percent cash funding of capital projects worsens the cash flow for current ratepayers

and is contrary to the basic principle of inter-generational equity (that is, future ratepayers must also contribute by means of debt to the cost of infrastructure which benefits them.) I am unsure as to why Livingstone's submission to the Change Commission appears to have not included the usual state government subsidy for new water trunk main infrastructure on the Capricorn Coast and why this project would be part funded by property owners in the northern suburbs.

b) The northern suburbs of Rockhampton have 'always been part of the Livingstone Shire

This argument is one of faux sentiment. It is also a completely misleading approach to justifying a 'No' vote. The original boundary for Livingstone Shire was configured from the former Gogango Division in 1903. Numerous boundary changes for local governments in this area have followed in the 119 years since 1903 including 1984 when other areas of Livingstone Shire Council in north Rockhampton were transferred to Rockhampton.

The most recent major reforms by the State Government in 2008 overhauled local government boundaries all over Queensland. This resulted in the disappearance of Livingstone Shire for six years until 2014. Local government boundaries are not inherently sacrosanct, in fact they are regularly amended in accordance with the legislative requirements of the time. The Electoral Commission has dealt with 24 boundary change proposals since 2010. The Change Commission simply cannot be persuaded by an assertion that boundaries are originally set in stone and must never be changed.

It also hardly needs to be said that residents of the northern suburbs directly impacted by a transfer should be listened on this point in preference to residents located elsewhere in Livingstone Shire. It is baffling for opponents of change to argue that all residents of Livingstone somehow maintain a heart felt, loyal and age old attachment to this part of Livingstone Shire Council.

5. The State Government's policy will not allow a transfer as Livingstone does not support it.

The mayor of Livingstone Shire Council has referred to a letter received from the then Minister for Local Government on 25 August 2020 that "states: *'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 mayor complained on 29 June 2022 that this 'policy' is being breached by the current process; the Electoral Commission of Queensland surveying residents of both Councils, the QTC undertaking a review of both Council's finances and a report being prepared by the Local Government Change Commission.

"Livingstone Shire Council is vehemently against this ridiculous proposal and has made this extremely clear to the State Government on many occasions.

Therefore, to allow a boundary change is contrary to the government's own policy and will put significant financial stress onto our residents if it were to be approved."

<https://getinvolved.livingstone.qld.gov.au/leave-livingstone-alone?fbclid=IwAR22ROMqRrtGFK2lAdmXqLP48cy7C5vsCJYewaLmlvW7Q8YfVzI09KHqgm8>

In my view this so called 'policy' mentioned by the Minister is nothing but a public statement which sits outside of the legislative process. It can be changed by another public statement by a later minister. It is not a formal policy with a head of power, expressed aims and purposes, procedures to be followed, a decision making process and other best practices inherent in good public policy.

The only genuine policy documents which Livingstone Shire Council and Rockhampton Regional Council can refer to regarding the proposed boundary change are set out in the legislation and the Terms of Reference for the minister's referral to the Electoral Commission of Queensland. These certainly do not mention a stipulation that both Councils must support the change, although this is usually the case where adjoining Councils agree that smaller areas of property are better served by the other Council and the property owner is in agreement with the transfer.

In practice this new provision gives any opposed Council the unilateral right on any grounds to veto a proposed transfer and to dismiss the views of all the property owners and residents, the other Council and any advice of the QTC and the Department of Local Government. Fortunately the Electoral Commission of Queensland states on its website that it; *"...will undertake a holistic review of the proposed change including (other) considerations such as community views"*.

The mention of *'both Councils must support change'* in the minister's letter in 2020 is self contradictory and presents several serious problems if it is somehow implemented;

- A council can argue (unsuccessfully by Livingstone Shire in this case) that by simply passing a motion opposing the proposal before public consultation takes place or any detailed financial analysis or planning advice is received, the rest of the policy is short circuited and the matter can be brought to an early and complete end;
- When examined in detail the independent assessments prepared by QTC and the Department of Local Government fail to endorse Livingstone Shire Council's position;
- The implications of the State Government rejecting a considered recommendation of the Local Government Change Commission and a clear majority view of all residents surveyed, (or even the directly affected residents) could well result in a loss of faith in the minister and State Government.

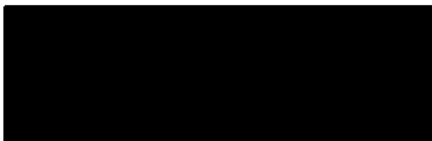
6. Conclusion

Like many other residents I have felt very disappointed and frustrated that two neighbouring Councils have been pitted against each other since 2013, instead of working cooperatively to advance both their areas with respect and goodwill.

This lamentable situation we face in 2022 was brought about by a foolish and short sighted decision made in 2013 by the minister of the day not to respect the wishes of the residents who wanted to stay with Rockhampton Regional Council when Livingstone Shire Council was de-amalgamated.

I fervently hope that this historical injustice is redressed promptly by the Change Commission and that both Councils will be able to put this saga to rest.

Yours sincerely

A large black rectangular redaction box covering the signature of Ewan Filmer.

Ewan Filmer