

APPENDIX 4

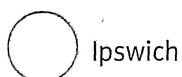
Local Government Reform Commission Report extracts

Ipswich City Council

1. Recommendation

The Commission recommends:

- (i) the existing local government area of Ipswich City Council be amended to exclude the Harrisville/Peak Crossing area by transfer to Beaudesert Regional Council;
- (ii) the local government continues to be called Ipswich City Council;
- (iii) the local government be undivided with 10 councillors and a mayor; and
- (iv) the local government continues to be classed as a city.



2. Local government metrics

KEY LOCAL GOVERNMENT METRICS	
Name	Ipswich City Council
Class	City
Size	1,089 sq km
Population 2006	142,525
Population 2026	345,053
Electors 2007	86,942
Electoral arrangements	Undivided 10 councillors plus mayor
Electors per councillor excluding mayor	8,694
Total operating revenue financial year 2006	\$169 million*
Annual capital expenditure financial year 2007 - 2015	\$187 million*
Total assets at 30 June 2006	\$1,348 million*
Debt at 30 June 2006	\$97 million*
Community equity at 30 June 2006	\$1,197 million*

* Pro-rated based on 2006 population split by Division with the exclusion of the Harrisville/Peak Crossing area from Ipswich City.

3. Rationale for local government remaining predominantly the same

The population of Ipswich will increase by some 200,000 additional people over the next 20 years from its current population of 144,500. To accommodate this growth there will need to be an additional 77,200 new dwellings constructed, of which 13,800 (19 percent) will replace existing dwellings. This will relieve pressures on land in the coastal communities which are currently bearing the substantial proportion of growth and development.

Much of the new residential and economic growth will occur in the master planned community of Springfield followed by Ripley Valley. A substantial Urban Investigation Area site for future growth is identified at Rosewood to the west of the current Urban Footprint, and an industrial/economic development area at Purga which is associated with the Amberley Air Force base.

In addition, there are three major industrial and commercial development areas designated within the Urban Footprint at Ripley Valley, Swanbank/New Chum and Willowbank/Ebenezer which will undergo detailed master planning.

3.1 Service delivery, operations and management

- Ipswich City is forecast to grow by 138 percent over the next 20 years. This growth and the associated planning and development of infrastructure are of such significance that any amalgamation has the potential to divert Council's attention from this task. The priority issue for Ipswich City Council is to effectively plan for, fund and provide essential regional, sub-regional and local level infrastructure required to lead and support the future population growth anticipated in this western growth corridor.
- Ipswich City is likely to become a self-supporting metropolitan centre with a core of higher level functions where a high proportion of residents will be employed, which differs

somewhat from other local governments surrounding Brisbane including Logan City, Redland City and North Moreton Regional Councils where residents will continue to commute to jobs outside their boundaries.

- Adjoining local governments are rural with the exception of Brisbane City.
- Council has sufficient size and capability to be able to successfully negotiate with industry and State and Federal Governments regarding attraction of industry and economic, environmental and social issues.
- Ipswich City Council is of sufficient size to ensure economies of scale are achieved in the delivery of services. The forecast growth will see these economies of scale improve and potentially the range of services offered increase.

3.2 Communities of interest

- There are no compelling regional community of interest linkages with surrounding (predominantly rural agricultural) local government areas which warrant amalgamation with Ipswich.
- Ipswich City is linked to the surrounding region and Brisbane City through the Warrego Highway, Cunningham Highway, Ipswich Motorway and the rail network.
- Air access to the City is through Brisbane domestic and international airports, 68 kilometres away by road from Ipswich.

3.3 Other

Not applicable.

4. Financial sustainability

Ipswich City is rated moderate (developing) in the Financial Sustainability Review by Queensland Treasury Corporation. Key elements that result in the moderate rating include:

- Established economic base with manufacturing (food, machinery and metal products) being the largest employment sector followed by wholesale and retail, health and community services, and government services.
- High fiscal flexibility with rates revenue being

71 percent of Council's total operating revenue in financial year 2006 with strong growth projections in line with forecast population growth of 4.6 percent per annum.

- Council recorded operating surpluses from financial years 2001 to 2004, with a large operating deficit recorded in financial year 2005 and a moderate operating deficit recorded in financial year 2006. The large operating deficit is a result of recognising the infrastructure charges liability around the provision by the private sector of the Springfield Road.
- Large operating deficits are forecast to financial year 2010, moderate operating deficits are then forecast to financial year 2013 with minor operating deficits thereafter. This profile is not unlike other local governments that are going through significant growth however it must be carefully managed. The large operating deficit of \$40 million expected in financial year 2007 is influenced by further liability recognition of Springfield Road due to increasing costs.
- Liquidity levels are forecast to decline but remain sound.
- In line with the high growth expectations, gross capital expenditure is significant at \$1,706 million to financial year 2015 when compared to depreciation of \$738 million.

5. Implementation issues

The Commission did not identify any specific issues relating to the formation of the new local government area.

6. Boundary issues

The Commission did not identify any specific issues relating to the amendment of Ipswich City boundaries apart from the Harrisville/Peak Crossing area.

7. Suggestions

The Commission gave consideration to the 54 suggestions it received in relation to Ipswich.

7.1 Details of suggestions

- Ipswich City Council's suggestion acknowledges that the reforms currently considered by the Commission will impact significantly on local government operations. Council also acknowledges the impact on local government operations and finances through the recently announced water reforms. Council is of the view that both these change agents need to be considered concurrently and suggests a discussion/dialogue with the Commission with regard to the specifics and opportunities that Ipswich presents to the bigger picture of the change process in Queensland.
- Boonah Shire Council's suggestion states a preference for an enlarged Boonah Shire by a boundary adjustment with Ipswich City to incorporate the villages of Harrisville and Peak Crossing (currently part of Ipswich City) and the surrounding rural areas, which is linked to the Boonah Shire Futures Plan. This is based on the rural nature of the Harrisville/Peak Crossing area and strong communities of interest with Boonah Shire.

7.2 Commission's comments on suggestions

The Commission noted the observations on the local government reform process included in Ipswich City Council's suggestion, and concurred with Boonah Shire's suggestion that the Harrisville/Peak Crossing area of Ipswich City should be transferred to the Beaudesert Regional Council, based on the rural nature of the area and communities of interest.

8. Other Commission considerations

The Commission notes that five of the existing 10 Divisions of the divided council exceed allowable tolerances. This is highlighted in the statutory report of council to the Minister for Local Government, Planning and Sport and in normal circumstances would need to be addressed prior to the next election. However, such matters were suspended by legislation creating the Commission. The out-of-tolerance situation, combined with the excision of the Harrisville/Peak Crossing area gives rise to the recommendation that Ipswich City be undivided for the 2008 quadrennial elections.

9. Objectives set for Commission

OBJECTIVES	OBJECTIVES ACHIEVED
Facilitates optimum service delivery to Queensland communities.	Yes.
Ensure local government effectively contributes to and participates in Queensland's regional economies.	Yes.
Manages economic, environmental and social planning consistently with regional communities of interest.	Yes.
Effectively partners local government with other levels of government to ensure sustainable and viable communities.	Yes.

