

Tabled by Douglas Shire
Council in Cairns -
3/9/07



Douglas Shire Council

Submission to the Queensland Local Government Reform Commission



Douglas Shire Council

Administration Centre

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1.0 SUBMISSION AT A GLANCE

About Douglas Shire: Douglas is a shire of more than 2,400 km² defined by natural boundaries and a population of almost 12,000 residents. It is a growth shire with forecast of up to 55% population increase by 2026. It has a robust economy built on a carefully managed balance of resort and environmental tourism and agriculture. Douglas was in a SSS Review Group with Cook and Wujal Wujal Councils and is in a very strong financial position with operating surpluses, very low reliance on grants and subsidies, a surplus of cash and investments over debt and fully funded depreciation.

Community Response to Amalgamation: Independent research and community consultation confirm that more than three quarters of the residents of the Douglas Shire do not support amalgamation or major boundary change. There is a strong belief in the community that amalgamation would reduce service levels and effective representation and that the Shire would be worse off under an amalgamation or major boundary change scenario.

Optimum Service Delivery: It is unlikely that amalgamation would improve service delivery to Douglas Shire residents. On the contrary there is a real risk that amalgamation will increase costs and charges and reduce service standards and quality. Over 70% of the residents of the Shire believe that amalgamation will reduce the effectiveness of services to their local community.

Participation in Regional Economy: There is a high risk that amalgamation would distort the delicate balance and careful management required to preserve the Douglas region as a unique economic precinct. Preserving and growing the value in the Douglas brand relies on getting that balance right. A post amalgamation Council that places a strategic emphasis on any single sector, be it development, environment or rural could tilt that balance and destroy the international reputation and iconic value of the Douglas brand.

Economic, Environmental and Social Planning: In many areas the Douglas Shire Council is setting standards for economic, social and environmental planning in the region. There is a risk that amalgamation would result in dilution of those standards as the ability of the Council to know and work closely with its community becomes impeded through centralised policy setting and resourcing on the one hand and expanded coverage on the other.



Partnering with Other Levels of Government: The Douglas Shire community is well serviced by State and federal government departments and agencies working with the local Council and local community groups. There is broad alignment of local government and State government service centres within the existing Shire boundaries. There is a risk that amalgamation would result in centralisation of these services away from the Douglas Shire resulting in less coordinated and poorer delivery of Local, State and Federal services to Douglas residents.

Grouping of Communities of Interest: Douglas Shire has a strongly defined sense of community and a social fabric based on vibrant local communities. Its character and international reputation are based on a careful balancing of competing interests within the Shire. Because of its distinct attributes, Douglas Shire does not logically align with either the SSS group or the FNQ Group for the purposes of amalgamation.

Consolidating Natural Resource Areas: Douglas Shire Council is distinctly defined by its geography and is its own natural resource management area based on water catchments, topography and World Heritage Listed properties.

Improved Financial Sustainability: Douglas Shire Council is financially very strong with an equally strong financial sustainability assessment. It has achieved this position whilst at the same time keeping costs, rates and charges below or competitive with neighbouring Shires.

Existing Local Government Areas: Over 75% of the residents in the Shire do not want Douglas amalgamated and believe that under any amalgamation scenario Douglas would be worse off. However Communities of Interest such as Julatten and Mt Molloy identified under the SSS process should be considered and the community consulted about the desirability of boundary change in those areas.

Amalgamation Scenarios: Over 75% of the Shire's residents oppose amalgamation for Douglas Shire. The Council is also opposed to amalgamation but supports boundary reform to incorporate the identified communities of interest of Julatten and Mt Molloy in Mareeba Shire, a resolution of minor boundary changes for Wujal Wujal and consideration of community preferences North of the Daintree River. No other reform scenario considered will meet the objectives of the Legislation and the requirements of Commission's Terms of Reference.



2.0 DOUGLAS SHIRE

2.1 Profile

The Douglas Shire occupies an area of 2,445 km² that is well defined by natural boundaries with mountains to the north and west and coastline to the east. It is the only place in the World where two World Heritage Areas meet – the Great Barrier Reef and the Wet Tropics of Far North Queensland. Over 80% of the Shire is World Heritage Listed.

The Douglas Shire is a growth shire with an estimated population of 11,771 people as at 30 June 2006. The Shire's population grew by 3.7% between 2005 and 2006¹ and the Department of Local Government, Planning, Sport and Recreation's median forecast for growth in the Shire averages 2.1% p.a. over the next 20 years² compared with a 1.9% annual average growth rate projected for the State as a whole.

The Shire has a robust economy, built on a carefully managed balance between a relatively new tourism industry and an established agriculture sector. The Shire accommodates a million visitors a year and produces half a million tonnes of sugar cane, cattle and a variety of fruit crops. It also has one of the oldest intact surviving Indigenous communities in the world – the Kuku Yalanji.

2.2 SSS Involvement

Douglas Shire Council (DSC) joined Cook Shire Council and the Wujal Wujal Aboriginal Shire Council to form a Review Group for the Size, Shape and Sustainability Review process. The Councils received approval from the Minister to undertake their review on the 8th of January 2007 and were well advanced in completing the Initial Review Phase when the State Government called the process to a halt in April 2007.

In the Initial Review, DSC had identified the area of Julatten & Mt Molloy in Mareeba Shire as significant Communities of Interest requiring consideration for boundary review and a number of areas where shared resourcing and joint enterprise activities could benefit DSC and neighbouring local governments. The physical segregation of the Shire from Cairns by World Heritage areas and the two-lane coastal highway was considered a significant barrier to amalgamation or major boundary review to the south. Community consultation on these issues was scheduled for the Comprehensive Review Phase.

2.3 Financial Sustainability

Douglas Shire Council is in a very strong financial position. Data from the DSC audited Financial Statements and the Department of Local Government, Planning, Sport and

¹ Population and Housing Fact Sheet, Department of Local Government, Planning, Sport and Recreation, March 2007

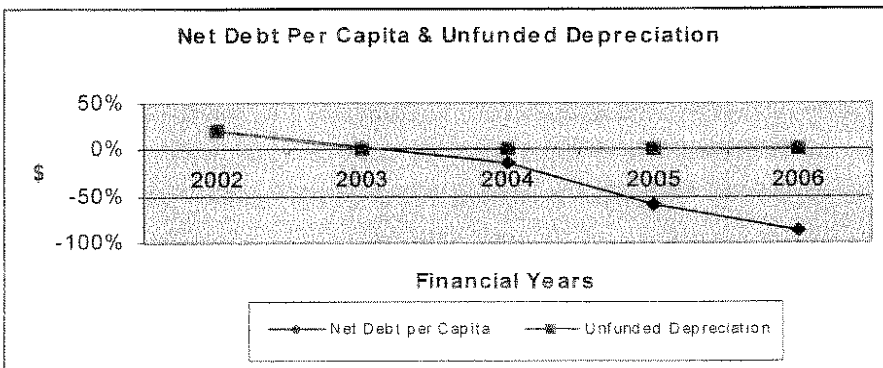
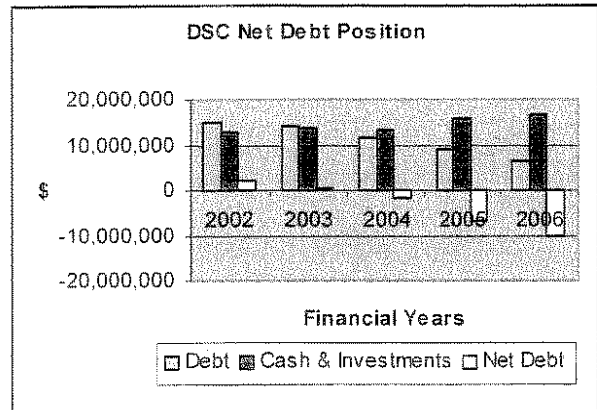
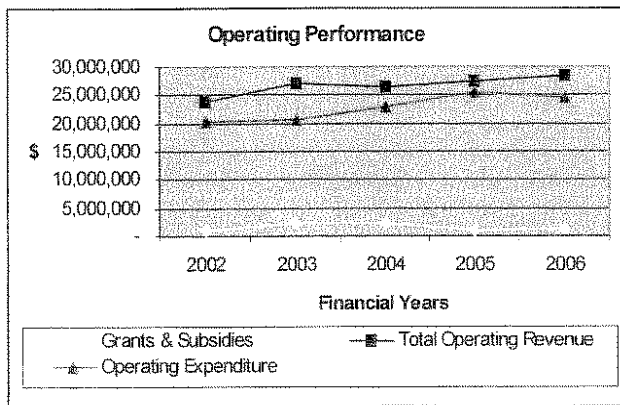
² Population and Housing Fact Sheet, Department of Local Government, Planning, Sport and Recreation



Recreation's Comparative Information show that the Council is almost entirely self-funding with little reliance on operating grants and subsidies (less than 5%) and generating an annual surplus from its operations. The Shire Council has no net debt, with a surplus of cash and investments over borrowings and fully funds its depreciation.

Quote from the Minister of Local Government, Planning, Sport and Recreation, the Hon Andrew Fraser, MP by letter to Douglas Shire Council dated 8th March 2007:

"It [the Douglas Shire Council] is financially sound and has an enviable reputation for its widely admired planning initiatives"



- ### Summary
- ✓ Operating Surpluses
 - ✓ Very low reliance on Grants & Subsidies
 - ✓ Surplus of cash & investments over debt
 - ✓ Fully funded depreciation

[Source: DSC audited Financial Statements and the Department of Local Government, Planning, Sport and Recreation's Comparative Information]

Conclusion: Douglas is a shire of more than 2,400 km² defined by natural boundaries and a population of almost 12,000 residents. It is a growth shire with forecast of up to 55% population increase by 2026. It has a robust economy built on a carefully managed balance of resort and environmental tourism and agriculture. Douglas was in a SSS Review Group with Cook and Wujal Wujal Councils and is in a very strong financial position.

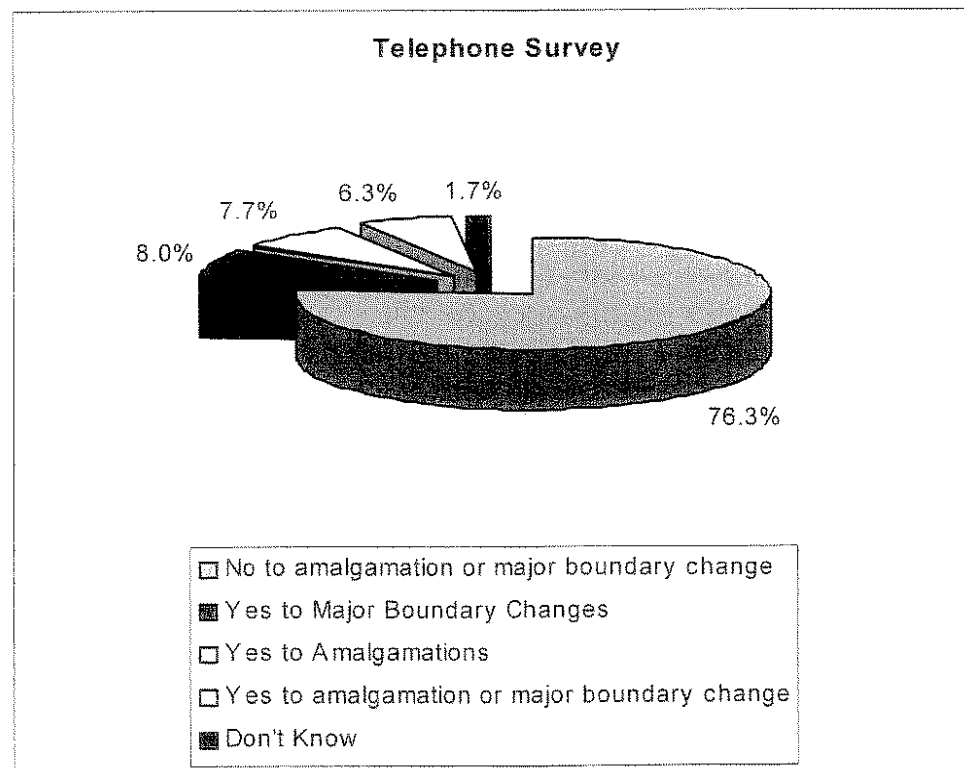
3.0 COMMUNITY RESPONSE

3.1 Independent Telephone Survey

Independent Brisbane based market research firm Market Facts (Qld.) Pty. Ltd., were engaged by Douglas Shire Council to undertake a random and statistically valid telephone survey of Council residents. The survey work was undertaken between May 10 – 13, 2007 with a resulting sample group of 300 people and a 90% confidence level.

The key findings of the telephone survey were:

- √ 76% of respondents believed the Douglas Shire boundaries should remain the same;
- √ 72% of respondents believed that a State Government initiated amalgamation or major boundary change in Douglas Shire will reduce the effectiveness of services to their local community;
- √ 72% of respondents believed that a State Government initiated amalgamation or major boundary change in their area will reduce the effectiveness of their elected representation;
- √ 72% of respondents believed that Douglas Shire would be worse off from amalgamations or boundary changes resulting from the State Government.





3.2 Community Survey

A total of 184 survey forms were completed and submitted by Shire residents in less than one week. A summary of the survey results is provided below:

In favour of amalgamation	6%
In favour of major boundary changes	3%
Douglas Shire should remain the same	91%
Amalgamation or major boundary change will improve effectiveness of services	8%
Amalgamation or major boundary change will reduce effectiveness of services	92%
Amalgamation or major boundary change will improve effectiveness of elected representation	6%
Amalgamation or major boundary change will reduce effectiveness of elected representation	94%
Residents will be better off under amalgamation or major boundary change	6%
Residents will be worse off under amalgamation or major boundary change	94%

3.3 Community and Peak Body Submissions

The Douglas community, businesses and local organisations were encouraged to send submissions directly to the Commission expressing their view on the proposed changes and their potential impact on Douglas Shire. It was emphasised that submissions should address the legislative Objectives and the Commission's Terms of Reference. We encourage the Commission to take any such submissions received into account when considering the future of Douglas Shire.

3.4 Community Meetings

Given the time frame for preparing submissions, the Council called community meetings at short notice to try to ascertain the views of the community toward a possible amalgamation of Douglas Shire. People who attended the meetings were briefed on the Local Government Reform Commission, its Objectives and Terms of Reference. Information was provided assessing the Douglas Shire's performance and activities against the Terms of Reference. Possible amalgamation scenarios were provided and the views of the community were sought both at the meeting and through the completion of surveys.

3.4.1 Community Groups and Peak Organisations – 10:0 – 11:30am Monday 14 May 2007

Over 25 people attended representing the following business, indigenous, community, arts & health organizations:



- Douglas Shire Seniors
- Douglas Arts Base
- Douglas Shire Historical Society
- Port Douglas Neighbourhood Centre
- Mossman Centre Mill
- Port Douglas Chamber of Commerce
- Mossman Chamber of Commerce
- Douglas Shire Multi-Purpose Health Service
- Port Douglas Community Service Network
- Mossman District Nursing Home Committee
- Town & Country Ltd
- Meals on Wheels
- Douglas Shire Sustainability Group
- Bamanga Bubu Ngadimunku Inc
- Rainforest Rescue
- Port Douglas Surf Life Saving Club
- Port Douglas Beach Hire

The overwhelming response expressed at the meeting was that the Shire boundaries remain as is. Specific concerns were raised about the future of community service delivery and the status of Multipurpose Health Service if the shire was amalgamated with Cairns. The Mossman Chamber of Commerce was concerned about the impact on local businesses of any amalgamation scenario.

3.4.2 Port Douglas, 6:00pm – 7:30pm Monday 14 May 2007

45 people attended the community meeting in Port Douglas. A show of hands indicated a unanimous view at the meeting that Douglas Shire should not be amalgamated at all and in particular with Cairns City Council to the South.

3.4.3 Mossman, 6:00pm – 7:30pm Tuesday 15 May 2007

65 people attended the community meeting in Mossman. A show of hands indicated almost unanimous view at the meeting that Douglas Shire should not be amalgamated at all and in particular with Cairns City Council to the South.

3.4.4 Cow Bay, 6:00pm – 7:30pm Wednesday 16 May 2007

25 people attended the community meeting held north of the Daintree River in Cow Bay. A number of people at the meeting expressed concern about the level of services provided by the Council in this area of the Shire and some of those indicated a desire to amalgamate with another Shire such as Cook Shire to the north or Mareeba Shire to the west.



Conclusion: Independent research and community consultation confirm that more than three quarters of the residents of the Douglas Shire do not support amalgamation or major boundary change. There is a strong belief in the community that amalgamation would reduce service levels and effective representation and that the Shire would be worse off under an amalgamation or major boundary change scenario.

4.0 REFORM CRITERIA

4.1 LOCAL GOVERNMENT REFORM OBJECTIVES

Local Government and Other Legislation Amendment Act 2007 No. 21, 2007

4.1.1 *Facilitate optimum service delivery to Queensland communities*

The Douglas Shire Council already participates in shared service models where it makes sense to do so. The Shire is physically segregated from neighbouring Council areas by natural geography which constrains options for shared infrastructure and services in areas such as water and waste water. The Douglas Shire Council has entered into a joint service delivery / cost sharing model for landfill services with Cairns and owns and operates the Daintree River Ferry providing concessional fares to Wujal Wujal residents and Cook Shire residents who live within the vicinity of the river.

Most residents and businesses in the Douglas Shire enjoy a high level of service at competitive rates and charges:

- √ Douglas has one of the cleanest water supply systems in the Southern Hemisphere at a domestic water cost calculated at 30%³ less than Cairns with connections to 84% of the Shire's properties;
- √ After completion of the upgrade to the Mossman Sewage Treatment Plant which is budgeted and programmed for completion within 3 years, up to 80% (currently 66%) of the Shire will be on network sewerage with treatment to tertiary standard. Port Douglas is already fully sewered to tertiary treatment standard and recycles 100% of its waste water. By comparison Cairns currently treats its sewage to only secondary standard;
- √ There are 334 kms of road in the Shire, 54% of which are sealed. Douglas Shire Council Works teams provide most of the road upgrade and maintenance services for the Department of Main Roads in the Shire. This is a testament to the cost and quality of Douglas Shire Council roads maintenance and construction capabilities;
- √ Residents of Douglas Shire, do not pay gate entry tip fees for domestic and green waste and 93%⁴ of the Shire's properties are serviced for waste

³ Based on assumed household usage of 656kl per annum and using DLGPSR Comparative Information

⁴ Based on DLGPSR Audited Financial Statements 2004/05



collection. When tip fees are taken into account Douglas residents pay less for solid waste services than residents in Cairns⁵. By contrast Douglas Shire waste management practices represent best practice, in particular its landfill management practices;

- √ Douglas Shire Council opened a new modern Library facility in 2006 which is supplemented by mobile library services to other parts of the Shire;
- √ Residents of Douglas, visitors and members of communities of interest in Mareeba Shire enjoy the 75 hectares of maintained parklands and sporting facilities within the Shire boundaries.

Conclusion: It is unlikely that amalgamation would improve service delivery to Douglas Shire residents. On the contrary there is a real risk that amalgamation will increase costs and charges and reduce service standards and quality. Over 70% of the residents of the Shire believe that amalgamation will reduce the effectiveness of services to their local community.

4.1.2 *Ensure that local governments effectively contribute to and participate in Queensland regional economies*

The Douglas Shire is part of the Great Barrier Reef and Wet Tropics region and is a tourism and agricultural economic precinct. The Shire is unique in that it is the only location where two iconic World Heritage areas meet. The Douglas Shire Council has an exemplary track record in managing the conflicting pressures of tourism, development, environmental management and agricultural production for the benefit of residents of the Shire and visitors from within Australia and around the world.

- √ Douglas Shire Council was one of the first local governments to develop a comprehensive tourism strategy in 1998. The Shire accommodates over 1.0 million visitors a year who come to experience its diverse attractions including the Port Douglas resort and beaches, the Mossman George and local Kuku Yalanji indigenous experience, the Great Barrier Reef, sugar cane vistas, country towns, the Daintree rainforest and Cape Tribulation, all within a single defined area.

The [Douglas] Shire's tourism activity supports employment in the accommodation, transport, and retail trade and construction sectors." [Office of Economic & Statistical Research – 2006]

"The [Douglas] Shire's tourist attractions are iconic, which should see long term growth in visitation and expenditure..." [Office of Economic & Statistical Research – 2006]

- √ Douglas Shire Council has a formal agreement with the local tourism industry to contribute \$400,000 annually toward destination marketing and management.

⁵ Based on DLGPSR Comparative Information 2004/05



This represents 1.5% of the Shire's revenues and as a percentage of revenues it is far greater than support provided by neighbouring Councils, including Cairns;

- √ Douglas Shire Council was one of the first local governments to set the urban footprint as part of its planning scheme. This was in response to concerns raised by the sugar industry to preserve agricultural land and sits in stark contrast to the development of agricultural land that has occurred in Cairns;
- √ It is estimated that the tourism industry in Douglas contributes \$800 million per annum to the State's economy, as part of the \$4.3 billion Great Barrier Reef tourism industry;
- √ The sugar industry in Douglas Shire contributes more than \$30 million annually to the State's economy;
- √ According to the 2001 Census, of the 5,204 people in the Douglas Shire who were employed, less than 5% worked outside the Shire. "Interestingly, the outward flow of labour to Cairns (104 persons) was only a third of the inward flow of labour from Cairns (312 persons)."⁶

Conclusion: There is a high risk that amalgamation would distort the delicate balance and careful management required to preserve the Douglas region as a unique economic precinct. Preserving and growing the value in the Douglas brand relies on getting that balance right. A post amalgamation Council that places a strategic emphasis on any single sector, be it development, environment or rural could tilt that balance and destroy the international reputation and iconic value of the Douglas brand.

4.1.3 *Manage economic, environmental and social planning consistently with regional communities of interest*

The Douglas Shire Council is at the forefront of economic, environmental and social planning within the region.

The Douglas Shire Council 2006 Planning Scheme (Douglas Shire Planning Trilogy) won its category and the overall State award for Excellence in Planning in the Planning Institute of Australia's Queensland Division. The Scheme was awarded a Certificate of Merit in the National Awards in 2007. The Planning Scheme recognises the importance of managing forecast population growth of between 24% and 55%⁷ over the next 20 years within the context of sound environmental, social and economic management.

"The judges agree that this trilogy of hard fought initiatives reflect excellence in achieving environmental outcomes which are of international significance, but which seriously attend to local concerns and overwhelming desires. The trilogy makes creative, appropriate and courageous use of legislative instruments to maximum effect." [Awards for Excellence in Planning: Planning Institute of Australia, Queensland Division]

⁶ The Office of Economic and Statistical Research, February 2007

⁷ DLGPSR Population and Housing Fact Sheet, Douglas Shire



Other examples where the Douglas Shire Council excels in the areas of economic, social and environmental planning include:

- √ 1998 Comprehensive Tourism Strategy and \$400,000 annual contribution to the tourism industry;
- √ Contribution of \$50,000 to the 2007 Port Douglas Carnival;
- √ Support to the cane industry through a Joint Venture Partnership with the Douglas Shire Council, which is aimed at encouraging agricultural diversity and innovation in areas such as ethanol, farm forestry, coco production, low GI sugar, bagged food-grade sugar for food manufacturing;
- √ Recent completion of the 2007 Comprehensive Community Engagement Strategy. This will provide invaluable, community representative opinions and priorities to feed into the Council's future short and long term strategic and operational planning;
- √ Publication of the 34 page Community Directory providing a comprehensive list and information on community organisations and services in the Shire;
- √ Facilitation a of Native Title land settlement on State government and Council land for the Kuku Yalanji indigenous residents of the Shire;
- √ Winner of the 2003 Banksia Environmental Award for environmental leadership in infrastructure and services from the Banksia Environmental Foundation for the Shire Council's excellence in environmental management;
- √ Level 5+ accreditation under the Cities for Climate Protection program;
- √ Adoption of the Douglas Shire Water Quality Improvement Plan as a model for improving Great Barrier Reef water quality, working in partnership with FNQNRM and the local agricultural sector;
- √ In consultation with the Department of Main Roads, developed new scenic road construction standards for the road through the Daintree rain forest,
- √ Queensland Winner of the 2006 Clean Beach Challenge, Keep Australia Beautiful Award, Resource Conservation and Waste Management Category.

Conclusion: In many areas the Douglas Shire Council is setting standards for economic, social and environmental planning in the region. There is a risk that amalgamation would result in dilution of those standards as the ability of the Council to know and work closely with its community becomes impeded through centralised policy setting and resourcing on the one hand and expanded coverage on the other.



4.1.4 *Effectively partner local government with other levels of government to ensure sustainable and viable communities*

The Douglas Shire is well serviced by government departments and agencies and Shire Council officers and Councillors have a long history of active involvement in numerous Federal, State and local government bodies and committees.

There is broad alignment of local government and State government service centres within the existing Shire boundaries. State and federal services present in the Shire include:

- √ Centrelink Office;
- √ Child Safety – through the Douglas Shire Child Safety Forum;
- √ Community Services – delivered through multiple local Associations, Societies and Agencies;
- √ Disabilities – Local Area Co-ordinator and local support organisations;
- √ Education – 5 State Government Primary Schools, 2 High Schools and a TAFE
- √ Electricity – Ergon Energy Service Depot.
- √ Emergency Services – Ambulance, 2 Fire Stations, 4 SES Centres;
- √ Environment – EPA District Office, Marine Parks Office, 2 Wet Tropics District Offices;
- √ Health – Hospital in Mossman and a Clinic in Cow Bay; Community Health Services;
- √ Housing – services delivered through the Douglas Shire Aged Persons Home and the Goobidi Bamanga Co-operative;
- √ Justice – Mossman Courthouse;
- √ National Parks and Wildlife Office;
- √ Police – 2 Police Stations;

Conclusion: The Douglas Shire community is well serviced by State and federal government departments and agencies working with the local Council and local community groups. There is broad alignment of local government and State government service centres within the existing Shire boundaries. There is a risk that amalgamation would result in centralisation of these services away from the Douglas Shire resulting in less coordinated and poorer delivery of Local, State and Federal services to Douglas residents.



4.2 LOCAL GOVERNMENT REFORM COMMISSION TERMS OF REFERENCE

4.2.1 *The reform commission must consider the grouping of like communities of interest to maintain the social fabric and character of communities and areas of the State,*

The Douglas Shire is a geographically segregated community with a distinct social fabric and character based on its unique blend of new development, rural, country town and indigenous communities. Its character is reflected in its international reputation as an environmental and resort tourist destination on the one hand and strong and vibrant local communities on the other. Participation and voluntarism are high in Douglas Shire's many local clubs and community service groups.

Earlier consultation and research by Douglas Shire Council confirms that there is a "...strong sense of attachment and pride in the Shire, and a deep appreciation of its natural assets.""Residents also feel a strong attachment to a tropical lifestyle that goes with their environmental values."⁸. This strong sense of identity and local character was reconfirmed in the consultation undertaken for the 2007 Community Engagement Strategy.

Amalgamations that result in a significant increase in the influence of any one social group (urban-development, rural or environmental) are likely to threaten that unique character and erode the Shire's existing social fabric.

and in particular, must consider –

4.2.1.1 review areas established under SSS review processes; and

The Douglas Shire Council was partnered with Cook Shire and Wujal Wujal Aboriginal Council in the SSS process. While the Initial Review stage had not been completed when the State Government called the process to a halt, Douglas had identified communities of interest in Julatten and Mt Molloy in Mareeba Shire. Long standing boundary issues between Douglas, Cook and Wujal Wujal were in the process of being resolved at the time the SSS process ceased.

The physical segregation and distinct communities of interest identified in the SSS review were seen as natural impediments to amalgamation between Douglas Shire and Cairns to the south and Wujal Wujal and Cook Shires to the north. The SSS process was not sufficiently well advanced to have tested these scenarios through community consultation; however refer to the community survey and consultation results in section 3.0 above.

⁸ [Douglas Shire Tourism Strategy 1998]



4.2.1.2 *boundaries of areas covered by the regions for which regional planning advisory committees have been established under the Integrated Planning Act 1997.*

Douglas Shire participates with Wujal Wujal, Yarrabah, Mareeba, Atherton, Cairns, Eacham, Johnstone, Herberton and Cardwell Councils in the Far North Queensland (FNQ) Planning Advisory Committee. The vast nature of the physical area covered by the FNQ Planning Advisory Committee and the complexity and diversity of the very communities it covers renders an amalgamation of the whole inappropriate and unworkable. Amalgamation of a part or parts of the group should be reflective of the most appropriate alignment of financial, economic, geographic and community groupings. For reasons enunciated elsewhere in this submission, Douglas Shire does not naturally align with the other FNQ Shires.

Conclusion: Douglas Shire has a strongly defined sense of community and a social fabric based on vibrant local communities. Its character and international reputation are based on a careful balancing of competing interests within the shire. Because of its distinct attributes, Douglas Shire does not logically align with either the SSS group or the FNQ Group for the purposes of amalgamation.

4.2.2 *The reform commission's recommendations must be directed at -*

4.2.2.1 *consolidating, to the extent practicable, regional natural resource management areas, including for example water catchment areas, and environmental areas, including for example, coastal wetlands; and*

Douglas Shire lies within a regional natural resource area and is distinctly defined by its geography. Within the Wet Tropics Region Douglas Shire is bounded by the sea to the east and mountain ranges and rivers to the west and north. 80% of the Shire is World Heritage listed and it contains 4 major natural geographic watershed catchments. The Shire is self sufficient in water supply with excess capacity available to easily accommodate the Shire's growth forecasts.

The two-laned coastal road and World Heritage areas that separate Douglas from Cairns are a natural barrier to the creeping expansion of Cairns' northern suburbs and act as an environmental and social differentiator between the Shire's two communities.

4.2.2.2 *creating local governments with improved financial sustainability*

Douglas Shire Council is financially very strong (refer section 2.3 above) with an equally strong financial sustainability assessment based on its forecast population and economic growth profile, it's modern and well maintained infrastructure and few requirements to close large infrastructure and service gaps into the future. Moreover, the Shire has achieved this status while keeping cost, rates and charges at levels below



or competitive with its neighbouring Councils. Examples are provided in the table below⁹:

Service	Douglas	Cairns	Mareeba	Cook
Net rates & charges on a serviced averaged residential dwelling	\$1,939	\$2,793	\$2,394	\$2,795
Rates revenue per capita (Average rates paid per ratepayer)	\$2,063	\$2,193	\$1,697	\$2,240
Cost of Refuse Collection Services	\$245	\$238 ¹⁰	\$252	\$254
Water Charges (based on average 656kl p.a.)	\$363	\$527	\$427	\$878
Sewerage Charges	\$549 ¹¹	\$457	\$366	\$628
Employee Costs Ratio (Employee costs % of Operating expenses less depreciation)	38.9%	44.8%	45.5%	46.2%

Conclusion: Douglas Shire Council is distinctly defined by its geography and is its own natural resource management area based on water catchments, topography and World Heritage Listed properties.

Conclusion: Douglas Shire Council is financially very strong with an equally strong financial sustainability assessment. It has achieved this position whilst at the same time keeping costs, rates and charges below or competitive with neighbouring Shires.

4.2.3 *In making a recommendation for creating a new local government area from two or more existing local government areas, the reform commission must give preference, to the extent practicable, to including all of the existing local government areas in the new area rather than parts of the existing areas.*

⁹ Figures for rate and charges sourced from the Councils using 2006/07 financial information. Employee cost data sourced from the Councils' 2005/06 Annual Financial Statements.

¹⁰ Cairns charges additional Tip Fees for all tip waste separately. Douglas exempts domestic & green waste from Tip fees.

¹¹ Includes tertiary treatment and 100% recycling at Port Douglas.



Douglas Shire Council, and over 76% of the residents in the Shire, believe Douglas Shire should not be amalgamated with any other Shire and that under any amalgamation scenario Douglas Shire would be worse off.

The SSS Review had already identified the likelihood of strong Communities of Interest in Julatten and Mt Molloy in Mareeba Shire with Douglas Shire, particularly in relation to services, employment and facilities. To the north, there is a preference from some in the community north of the Daintree River to align with Cook or Mareeba Shires but further community consultation would be necessary to determine whether this is a view held by the majority of those residents. The minor boundary realignment between Douglas, Cook and Wujal Wujal that was already underway should be completed.

Conclusion: Over 76% of the residents in the Shire do not want Douglas amalgamated and believe that under any amalgamation scenario Douglas would be worse off. However Communities of Interest such as Julatten and Mt Molloy identified under the SSS process should be considered and the community consulted about the desirability of boundary change in those areas.

4.2.4 *The reform commission must identify options for community representation that reflect the diversity of the State's regions and that promote representation of discrete communities.*

Over 70% of the residents of the Shire believe that amalgamation will reduce the effectiveness of their elected representation (refer telephone survey results in Section 3.0 above). This response is strong despite the recent period of turmoil within the DSC Council that saw the Minister issue a Show Cause notice and the Council respond with a 22 point plan.

Residents perceive the current issues as transitory and ones that they themselves can influence through the democratic process. On the other hand amalgamation has the potential to deliver permanent changes to the nature and extent of representation in the Shire. Currently Douglas residents have a local government elected member representation ratio of one Councillor for 1,700¹² people covering an area of 2,400 m². This compares favourably with Cairns where the ratio is one for every 10,200 people covering 1,700 m². A vast majority of residents in the Shire consider a reduction in elected representation through amalgamation as an erosion of their democratic rights.

Conclusion: Over 70% of the residents in the Shire believe that amalgamation will reduce the effectiveness of their elected representation and would consider a reduction in the current Councillor coverage ratio as an erosion of their democratic rights.

¹² Councillor numbers include Mayors



4.2.5 *In making its recommendations for new arrangements, the reform commission must identify any issues requiring further consideration for successfully establishing the new arrangements.*

We encourage the Commission to consider the following issues for further consideration:

- √ Providing the ability for the community to have a say in determining the future of its local government area;
- √ The essential difference between urban, rural and life-style based communities, particularly in relation to the importance that different communities place on the role of local government in their every day lives;
- √ The risks associated with the imposed timetable. It is virtually impossible to imagine how the Commission will do sufficient analysis and to be able to reach decisions based on a thorough assessment of the legislative objectives and the terms of reference, let alone any additional information (such as may be contained in the submissions they receive).
- √ There are significant risks associated with the implementation process and schedule which is focused on the March 2008 election. Local government staff will be lost, budgets are being formulated that may be made redundant, essential works that are many months in the pipeline will be delayed at a time when the market is already fully stretched. Implementation planning and impacts should be carefully considered as part of the Commission's assessment process.
- √ For minor changes such as incorporating Julatten and Mt Molloy into Douglas Shire, there should be no dissolution of councils. In the case of minor boundary changes it is recommended that the State leave the existing boundaries in place until March 08. This would save the cost and disruption of dismissing existing councils and the appointment transitional committees where the change is minor.

5.0 REFORM SCENARIOS

The following reform scenarios are the Douglas Shire Council's 'best guess' at what the Commission might be considering. Each is considered briefly below.

5.1 Status Quo

This outcome would be consistent with the wishes of the vast majority of the community as reflected in the Market Facts telephone survey. Because the survey did not ask respondents to consider specific alternatives involving boundary realignment, it is not possible to know whether the community would support



options such as 5.2 below. What is clear is that they do not support amalgamation or wholesale boundary change as reflected in options 5.3 through 5.6.

5.2 SSS Review Boundary Changes

This is the Council's preferred option. It reflects the findings of the SSS process prior to community consultation and is consistent with the Objectives of the Local Government Reform legislation in aligning economic, environmental, social planning regional communities of interest. It is also consistent with the Reform Commission's Terms of Reference, particularly the requirement to consider grouping like communities of interest and consolidating natural resource management areas.

This scenario involves three components:

- [Handwritten mark: a star-like symbol with a vertical line extending downwards]*
- a) Recognition of Julatten and Mt Molloy in Mareeba Shire as being strong Communities of Interest for Douglas Shire, completion of the community consultation process and if supported, boundary realignment. There are strong service, social and proximity linkages between these communities and Douglas Shire. See Appendix 1 for Map.

Moreover, they share similar geography, the World Heritage precinct and an economy based on the sugar cane industry. There is a natural framework for boundary realignment for the area between the Great Dividing and Lewis Ranges, joined by the Parish boundary and which contains natural geographic watershed catchments.

- b) Completion of the minor boundary adjustments between Douglas, Cook and Wujal Wujal Councils that was underway prior to the establishment of the Reform Commission. These are long standing matters that all three Councils have agreed to and the Department of Local Government, Planning, Sport and Recreation was facilitating.
- c) Conduct community consultation in Douglas Shire north of the Daintree River to determine the extent of community support for realignment of that area within another Shire's boundaries.

5.3 SSS Review Group Amalgamations

Amalgamating Douglas, Cook and Wujal Wujal Councils or alternatively Douglas with any one of the other two is not a plausible outcome in terms of the legislative Objectives and the Reform Commission's Terms of Reference. There are vast social, cultural, economic, financial and geographic differences between the three Councils and it is difficult to identify benefits that any such amalgamation may bring from a community, governance or service delivery perspective. There is a strong possibility that an amalgamation would see community wealth accumulated and paid for by the Douglas community and reflected in the Douglas Shire Council's strong financial position, transferred as subsidies and service improvements to the other communities.



5.4 Expanded Cairns Council

This is the scenario most vociferously opposed by participants at the Douglas Shire community meetings. It carries with it very real threats to the Douglas community's social and cultural fabric, its identity and brand value as an international tourist destination, its iconic environmental status and the life style preferences of its residents. There is a significant advantage in the eyes of the Douglas community in being Douglas Shire residents as opposed to the residents of a northern suburb of Cairns.

5.5 Wet Tropics Amalgamation Alignment

This scenario stretches from Thuringowa City and Dalrymple Shire in the south to Cook Shire in the north encompassing 14 Councils in all. Reform on this scale would be a massive undertaking involving not only the alignment of a new Wet Tropics boundary crossing 14 existing Councils but also multiple impacts in the areas from which the new Wet Tropics Council has been carved out. The Councils involved are Atherton Shire Council; Cairns City Council; Cardwell Shire Council; Cook Shire Council; Dalrymple Shire Council; Douglas Shire Council; Eacham Shire Council; Herberton Shire Council; Hinchinbrook Shire Council; Johnstone Shire Council; Mareeba Shire Council; Thuringowa City Council; Wujal Wujal Aboriginal Shire Council; Yarrabah Shire Council.

With the Wet Tropics Management Authority and the Wet Tropics NRM Planning Region already in place, it is questionable whether a Wet Tropics local government alignment would add anything to the management of this World Heritage area. This scale of reform is massive and could not be completed within the timeframes given to the Commission. It would be a form of regional government and as such, its success would be dependant on reform and alignment of State and Federal Government services to an equally significant degree.

5.6 FNQ Regional Council

The Far North Queensland Regional Planning Advisory Committee comprises of Douglas Shire, Wujal Wujal, Yarrabah, Mareeba, Atherton, Cairns, Eacham, Johnstone, Herberton and Cardwell Councils. Interestingly the State government made Cook Shire an observer but not an official member of the Committee.

An amalgamation on this scale, while less onerous than establishing a Wet Tropics Region, is still a massive undertaking. It would also be tantamount to establishing a Regional Local Government and would as a consequence inevitably lead, over time, to reallocation of roles and functions between the State and the Regional Local Government. This may not be a bad thing in the long run but the complexity of implementation would be significant and certainly not achievable in the time frames given to the Commission.



Conclusion: Over 75% of the Shire's residents oppose amalgamation for Douglas Shire. The Council is also opposed to amalgamation but supports boundary reform to incorporate the identified communities of interest of Julatten and Mt Molloy in Mareeba Shire, a resolution of minor boundary changes for Wujal Wujal and consideration of community preferences north of the Daintree River. No other reform scenario considered will meet the objectives of the Legislation and the requirements of Commission's Terms of Reference.



APPENDIX 1: MAP OF PROPOSED BOUNDARY REALIGNMENT

