Queensland Boundaries
Commissioner Report

Proposed Noosa De-amalgamation
Published by the Queensland Boundaries Commission

November 2012

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Queensland Boundaries Commissioner
~ background and overview of report

The Queensland Boundaries Commissioner Col Meng (the Commissioner) was appointed to his role on 29 June 2012 by The Honourable David Crisafulli MP, Minister for Local Government.

The Commissioner was appointed to investigate the viability of former shires wishing to de-amalgamate from larger regional councils. The Minister received 19 proposals, five of which were referred to the Commissioner.

The Commissioner reviewed local government de-amalgamation proposals referred to him in an open and logical way and undertook targeted public consultation.

This report gives the Minister information including:
- a summary of the proposal from the proponent group and information provided by the council
- a summary of the detailed financial analysis provided by Queensland Treasury Corporation (QTC) (contracted as an independent third party specialist to holistically analyse the viability and sustainability elements of the submission)
- a summary of the consultation process
- an outline of the possible impacts of de-amalgamation on economic development
- an outline of the possible impacts of de-amalgamation on regional planning issues
- information demonstrating communities of interest in the region
- maps showing the boundaries of the current council and the former shire.

The Commissioner has reviewed, evaluated and analysed all information and has made recommendations accordingly.

The Commissioner has no past or current associations with the Sunshine Coast Regional Council (SCRC) or proposed Noosa Shire Council (NSC) that might create a conflict of interest.
Key points and recommendations

The Commissioner would like to extend his thanks to The Noosa Independence Alliance (NIA) and all stakeholders for their participation in this process. The level of engagement has been high.

The Commissioner would also like to extend his thanks to the SCRC for their efforts. The Commissioner would like to acknowledge that participating in this process has required significant resources and the high level of cooperation given to both the Queensland Boundaries Commission (QBC) and QTC is appreciated.

Key points

- According to projections by QTC, ratepayers of the proposed NSC will have to contribute a minimum increase of $260 in the first year, and a minimum of $142 over the following four years, adjusted for inflation.
- According to projections by QTC, the proposed NSC will be rated as Moderate (neutral) and the remaining SCRC will be Sound (neutral).
- De-amalgamation is likely to affect a number of proposed projects (including capital projects and events) in the remaining regional council area.
- De-amalgamation will result in a number of diseconomies of scale.
- There are considerations other than financial sustainability at play such as social and cultural issues (including but not limited to perceived loss of identity). This was evident in the high level of engagement by both the council and proponent group.
- The airport is a significant asset to the region and should de-amalgamation occur, careful consideration will need to be given to its place in the region.

Recommendation

Although there are many reasons for the current SCRC to remain as it is, the Commissioner’s view is that a new NSC would be financially viable and there are enough reasons to allow the people of Noosa to decide the future direction of their local representation.

In the case that the Minister accepts this recommendation the poll should be in March 2013 to allow enough time to disseminate information in this report. The poll should be attendance rather than postal and will be compulsory for the enrolled voters in the new NSC.

In the event that the required percentage of people vote in favour of de-amalgamation, it is recommended that:
- consideration should be given to appointing administrators
- the de-amalgamation will be complete and the new council will be operational no later than March 2014
- the Commissioner will produce transition procedures after the poll.
During the 2008 structural changes, council employees’ rights and entitlements were preserved by means of a three year jobs moratorium. This provision hampered many councils and reduced the ability to develop a flexible and responsive organisational structure. The Commissioner does not see the need to implement a similar requirement should a de-amalgamation occur.
Noosa ~ Sunshine Coast Regional Council de-amalgamation background

- In July 2007, the Local Government Reform Commission concluded its report on the examination of local government area boundaries, classes, names and electoral arrangements. In March 2008, the structural changes to Queensland local governments took place.
- The SCRC was established from the amalgamation of Caloundra City Council, Maroochy Shire Council, and NSC.
- The former NSC and local community groups expressed strong opposition to the amalgamation.
- Prior to amalgamation, the Financial Sustainability Review by Queensland Treasury Corporation (QTC) rated NSC as Strong (developing), and the other two pre-amalgamated shires of Caloundra and Maroochy as Moderate (developing) and Strong (neutral) respectively.
- On 29 August 2012, the Minister referred a de-amalgamation proposal from the Noosa Independence Alliance (NIA) to the Queensland Boundaries Commissioner for review.
- The proposal from the former NSC was coordinated by the NIA, an alliance of four community organisations from the Noosa area with a total membership of approximately 5,000.
- The NIA organisations include:
  - Noosa Parks Association Inc.
  - Friends of Noosa Inc.
  - EDV (Eumundi, Doonan and Verrierdale) Residents Group Inc.
  - Noosa Biosphere Association Inc.
Summary of information provided

Noosa Independence Alliance proposal

The proposal outlines reasons for de-amalgamation including:

- a large proportion of the community would prefer a separate council
- the costs forecast by the proponent group may be borne by ratepayers without the need for above CPI rate adjustment
- services may be improved by re-forming a NSC
- maintaining local identity by avoiding extraneous signage, parking meters and traffic lights
- a NSC may be better placed to market Noosa as a tourist destination
- a NSC would be better placed to protect the environment that distinguishes the area from other parts of the region
- regional economy and economic development of the entire region will not be adversely affected by de-amalgamation.

The NIA proposal includes a standard service delivery model. However, the proposal and further consultation have clarified that the NIA would prefer a model including a certain amount of outsourcing. The proposal identifies opportunities in areas such as lifeguards, libraries and some back-office services.

The proposal can be viewed at www.friendsofnoosa.org.

Sunshine Coast Regional Council

SCRC initially adopted a neutral stance regarding possible de-amalgamation. Subsequently SCRC acknowledged the state government’s boundary review process and on 18 October 2012 passed a Resolution advising the council’s preference is to retain the current unified local government model for the Sunshine Coast region.

SCRC provided QTC with current five-year financial forecasts and potential de-amalgamation cost estimates.

In addition to the financial forecasting, SCRC identified a number of regional efficiencies that could be at risk including:

- fuel and electricity contracts
- common regulatory services
- standard development application policies and procedures
- disaster management coordination
- Information and Communication Technology (ICT) platforms and applications
- consolidated local laws
- animal management
- insect management
- single Sunshine Coast Planning Scheme.
Consultation with stakeholders

The Queensland Boundaries Commissioner consulted with:

- NIA
- SCRC
- Sunshine Coast Destination Ltd
- Unitywater
- Tourism Queensland
- Master Builders Queensland
- Hastings Street Association
- Tourism Noosa
- Noosa Chamber of Commerce and Industry
- Property Council of Australia
- Sunshine Coast Business Council.

All organisations expressed views on possible de-amalgamation and the potential impact on specific areas of interest.
Financial viability and sustainability
QTC financial analysis

QTC has had a long-standing relationship with local governments in Queensland. Of particular note was QTC’s major review of the financial sustainability of 109 of Queensland’s local governments in July 2007. QTC has also undertaken and continues to undertake regular credit reviews of local governments.

QTC was engaged to assist in conducting a comprehensive, objective analysis of both the proposed NSC and remaining SCRC. The full report De-amalgamation Analysis of Sunshine Coast Regional Council is attached (Appendix 1).

During this process, QTC participated in the consultation process with representatives of NIA to clarify details of the financial model provided. QTC also engaged with SCRC to understand the allocation of revenue, costs, assets and liabilities between NSC and the remaining local government. QBC gave broad guidance on what may constitute de-amalgamation costs, however each proposal was considered on a case-by-case basis.

It was assumed from the outset there would be disparity in the figures provided by the de-amalgamation proponents and the SCRC. QTC made adjustments to the assumptions proposed where they were not considered to be complete and/or reasonable.

For the purpose of this review, a five-year timeframe was used to create financial forecasts, and also included consideration of the impact of de-amalgamation from service, community, financial and economic perspectives.

A sustainability rating was provided by QTC on the Base Case scenario. The Base Case scenario indicates how a council is expected to perform against key performance indicators in the coming years taking into account revenue, service delivery levels and the operational environment.

The sustainability rating also takes into account de-amalgamation costs (both one-off and fixed asset costs) and incremental annual recurring costs. Incremental annual recurring costs are not strictly de-amalgamation costs, but are expected to be incurred to operate a new NSC.

A new NSC is expected to have minor operating deficits for the five-year forecast period (Appendix 1, table 14 – page 24). Long-term operating deficits are unsustainable. How a new NSC would manage this matter over the long term could take different forms. Rates could be increased and/or service levels reduced. While a break-even budget scenario is provided to ensure completeness of information (Appendix 1, table 3 – page 6), it is acknowledged that, should the proposed NSC be reconstituted, the council will make its own decisions on revenue and expenditure.

Rating figures provided by QTC do not take into account the differential rating systems used by Queensland councils. This was deliberate and ensures the effective comparison between the proposed NSC and the proposed remaining SCRC.

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Queensland Treasury Corporation
summary

Sunshine Coast Regional Council (SCRC or the Existing Council) was formed in March 2008 following the amalgamation of Caloundra City, Maroochy Shire and Noosa Shire Councils. It covers an area of approximately 3,126 km² and has a current population of approximately 151,000.

A proposal has been lodged by the Noosa Independence Alliance (the Proponent) for the de-amalgamation of the former Noosa Shire Council (Proponent Council). If successful, a new Noosa Shire Council would be formed along its former boundaries, which includes an area of approximately 869 km² and a population of 30,000.

QTC has been engaged by the Department of Local Government to provide advice and assistance to the Queensland Boundaries Commission (the Commission) about the financial aspects of this de-amalgamation proposal. QTC’s review includes a financial analysis of both the proposed de-amalgamating council and what would become the remaining Sunshine Coast Regional Council (the Remaining Council) to:

- determine the costs of de-amalgamation for both the Proponent Council and the Remaining Council, and
- assess the financial viability of the Proponent Council and the Remaining Council on the basis that de-amalgamation was successful, and compare this to the financial viability of the Existing Council.

1.1 Financial impact of de-amalgamation

1.1.1 De-amalgamation costs

De-amalgamation costs include all costs incurred from the date of a successful poll for de-amalgamation of the Proponent from an Existing Council to the date of de-amalgamation (i.e., election of Proponent councillors, which is likely to be approximately 12 months after the poll). QTC has identified the costs of de-amalgamation to include:

- **One-off costs.** These relate to implementation and due diligence, community and staff engagement, and information and communication and technology (ICT). They will have the greatest direct impact on the cost to ratepayers because they will be expensed in full during the first year of de-amalgamation, and
- **Fixed asset costs.** These relate to the cost of purchasing new ICT equipment and any other new plant and equipment required for the Proponent Council to maintain service delivery standards. These assets will be expensed over the term of their useful life, therefore impacting ratepayers more subtly over time than one-off costs.

Successful Proponent Councils will be required to pay their own de-amalgamation costs as well as the de-amalgamation costs of the Remaining Council.
1.1.2 Incremental annual recurring costs

Incremental annual recurring costs incurred by either the Proponent Council or the Remaining Council are not considered a cost of de-amalgamation. QTC has identified these for the Proponent Council in order to highlight the ongoing extra costs associated with operating as a separate council.

Successful Proponent Councils will be required to pay their own incremental annual recurring costs but will not be responsible for paying costs of this nature for the Remaining Council. Incremental annual recurring costs incurred by the Remaining Council should be small in comparison to those of the Proponent Council, but may include costs associated with lower purchasing power and other operating inefficiencies. These costs, where applicable, have been considered by QTC in the forecasts determined for the Remaining Council. To the extent that they exist, these costs may impact QTC’s sustainability rating for the Remaining Council when compared to the Existing Council and the average rates per rateable property of the Remaining Council when compared to the Existing Council.

1.1.3 Summary of Proponent Council costs

Table 1 shows the estimated cost of de-amalgamation, including incremental annual recurring costs, to the Proponent Council (column 1). It also shows how these costs translate into a cost per rateable property (columns 2 and 3).

<table>
<thead>
<tr>
<th>TABLE 1 - SUMMARY OF DE-AMALGAMATION COSTS</th>
<th>QTC Estimate $</th>
<th>Average Costs $</th>
<th>Annualised Costs $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total one-off costs</td>
<td>3,605,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average one-off costs per Proponent Council rateable property</td>
<td></td>
<td>121.34</td>
<td></td>
</tr>
<tr>
<td>Total one-off fixed asset costs</td>
<td>7,415,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average fixed asset costs per Proponent Council rateable property</td>
<td></td>
<td>249.57</td>
<td></td>
</tr>
<tr>
<td>Annualised fixed asset costs per Proponent Council rateable property</td>
<td></td>
<td>49.91</td>
<td></td>
</tr>
<tr>
<td>Total incremental annual recurring costs</td>
<td>2,631,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total incremental annual recurring costs per Proponent Council rateable property</td>
<td></td>
<td>88.55</td>
<td></td>
</tr>
</tbody>
</table>

Note: Annualised fixed asset costs demonstrate the financial effect of spreading the cost of the asset over their useful life (i.e. depreciation expense)

Table 1 indicates that the one-off costs of de-amalgamation per rateable property will be $121 while the incremental annual recurring costs will be $138.
The following graph shows the financial impact of de-amalgamation, including incremental recurring costs, per rateable property over five years.

![Total de-amalgamation costs per Proponent Council rateable property ($)](image)

In the first year, each rateable property in the Proponent Council area will on average need to contribute an extra $260 in rates to cover the costs of de-amalgamation. In the second year, the extra contribution will drop to $142 and is then expected to increase each year based on inflation.

1.2 Assessment of financial viability – using QTC’s Base Case

The financial viability of the Existing Council, Proponent Council and Remaining Council was assessed by QTC with reference to financial information provided by the Proponent, and the Existing Council’s current five year forecasts as well as five year forecasts for their respective Proponent Council and Remaining Council.

In order to derive its own Base Case set of 5 year financial forecasts for the Proponent and Remaining Councils, QTC made adjustments to the assumptions of the Proponent Council and Existing Council where they were not considered to be complete and/or reasonable.

QTC’s Base Case financial forecasts for the Proponent Council and Remaining Council included a cost allocation that might occur because of decreased purchasing power with suppliers including insurance, waste management, fleet leasing and other expenses, as well as other inefficiencies.

QTC’s financial forecasts for the Proponent Council also included the items identified in its assessment of de-amalgamation costs. That is:

- the one-off costs of de-amalgamation for itself and the Existing Council
- the additional fixed asset costs, and

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1 Rates per rateable property may bear no direct comparison to actual rates paid by some ratepayers because it is an average figure calculated using total rateable properties. It does not take into consideration that some residential, commercial and industrial rateable properties attract a higher portion of the base rate than others.
the incremental annual recurring costs of de-amalgamation where they were not already considered to be included.

QTC’s financial forecasts were based on a standard delivery model. However, where existing assets were shared across a region (i.e., landfills), QTC assumed that a commercial arrangement would be negotiated between the councils to continue to share the asset. This was thought to be a more practical assumption than including the cost of replacing the asset.

1.2.1 Sustainability ratings – Base Case forecasts

QTC’s assessment of financial viability involved determining a sustainability rating for the Existing Council, Proponent Council and Remaining Council. This rating considers each council’s five year forecasts against sustainability ratios and benchmarks referred to by both QTC and the Department of Local Government (DLG).

A summary of the sustainability rating assigned by QTC to the Existing, Proponent and Remaining Council is shown below. It should be noted that these sustainability ratings have been determined based on information and assumptions contained in the Base Case forecasts estimated by QTC.

<table>
<thead>
<tr>
<th>Sustainability Rating</th>
<th>Existing Council</th>
<th>Proponent Council</th>
<th>Remaining Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>QTC rating (and outlook) – Base Case</td>
<td>Strong (neutral)</td>
<td>Moderate (neutral)</td>
<td>Sound (neutral)</td>
</tr>
</tbody>
</table>

Based on the Base Case forecasts made available QTC has rated the Existing Council as Strong, the Proponent Council as Moderate, and the Remaining Council as Sound.

The Existing Council’s Strong rating is supported by:
- historical and forecast operating surpluses in all years
- very low gearing levels throughout the forecast period and high interest and debt service cover ratios
- strong liquidity, and
- forecast capital expenditure of $718 million with only 14.3 per cent funded by new borrowings.

The Remaining Council’s Sound rating is supported by:
- minor operating deficits over the forecast period, and
- a reasonable level of borrowings which are able to be adequately serviced.

The Proponent Council’s Moderate rating is supported by:
- minor operating deficits over the forecast period, and
- adequate capacity to meet its financial commitments in the short to medium term and acceptable capacity in the long term.
1.3 Financial effect per rateable property

QTC undertook an assessment of the impact to ratepayers of de-amalgamation by comparing the average net rates and utilities per rateable property that would apply under the Base Case for the Proponent and Remaining Councils.

1.3.1 Base Case average annual rates per rateable property

Table 2 shows the average net rates and utilities per rateable property that would apply using QTC’s Base Case for the Proponent and Remaining Councils.

<table>
<thead>
<tr>
<th></th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proponent Council ($)</td>
<td>1,894</td>
<td>2,000</td>
<td>2,114</td>
<td>2,234</td>
<td>2,362</td>
</tr>
<tr>
<td>Remaining Council ($)</td>
<td>1,651</td>
<td>1,735</td>
<td>1,851</td>
<td>1,953</td>
<td>2,059</td>
</tr>
</tbody>
</table>

See Appendix 1 for the full report.
Regional planning

Shared services

The Commissioner requested proponent proposals include a standard delivery model showing services, systems and governance that could be conducted by the new council. There is a risk that outsourcing would come at a cost to ratepayers. Previous de-amalgamations of councils in other states have resulted in stronger councils adding a surcharge to services purchased. The surcharge could cover administrative costs, risks and overheads. Due to the nature of de-amalgamation, cooperation and collaboration between the two councils could be adversely affected.

Waste disposal

The SCRC has been running waste management on a regional basis and currently uses the Tewantin, Nambour and Caloundra sites. The Nambour and Caloundra sites are estimated to have eight years of life left. The SCRC anticipates that in the event of de-amalgamation, it will no longer have access to the Eumundi Road site and proposes to negotiate a bulk haul contract with Ipswich while acquiring and developing a new site.

The NIA proposal suggests that waste assets will be allocated according to geographical location and QTC has agreed with this approach.

QTC has assumed that the NSC will agree to an arrangement with SCRC to utilise the Eumundi Road site for the purpose of QTC’s analysis. Whether this arrangement can be made or other options need to be explored, waste disposal will have a major cost to the SCRC ratepayers in the immediate and foreseeable future.

Sewerage

Unitywater has advised that water supply and sewerage infrastructure in the Noosa area needs significant upgrades to meet environmental compliance, growth and safety concerns. The existing shareholding in Unitywater would need to be divided.

Sunshine Coast Airport

The Sunshine Coast Airport (SCA) is located at Marcoola – midway between Caloundra and Noosa – and approximately 110 kilometres north of Brisbane. It is owned, managed and operated by SCRC.

The SCA operates 24 hours a day, handles approximately 87,000 aircraft movements and around one million passengers per year. SCRC is proposing to construct a new runway along an east-west alignment by 2022 with the associated apron, taxiways, terminal and commercial infrastructure to support the future population and growth in tourism. The total cost is estimated to be $435 million. The Noosa tourism industry is sure to derive an economic benefit from any future upgrades.
QTC has assumed that the SCRC will retain full ownership and control of the airport for the purpose of this analysis.

For the remaining SCRC to bear the cost of upgrades that will allow for growth to Noosa’s tourism is inequitable. Proponents have acknowledged the benefit of the airport to their area. In the view of the Commissioner, the airport would have to be considered differently to the proposed QTC treatment.

There is the risk that de-amalgamation would delay this project, and costs will rise due to inflation to a point where the project might not eventuate. This would have a detrimental effect on future national and international tourism to the region as the air traffic would be limited. A new NSC would have to consider assisting SCRC with funding.

Disaster management

Disaster management is a core responsibility of local government. Local government is well placed to provide first-hand knowledge and understanding when it comes to coordinating responses to a disaster.

The NIA is proposing to use the existing Disaster Management policies and procedures. The SCRC advises that it expects Noosa to establish a separate Local Disaster Management group, a separate Emergency Operations Team, a separate Field Coordination Centre and an Emergency Coordination Centre, which would be necessary to comply with the Disaster Management Act 2003.

As recent natural disasters across the state have demonstrated, effective disaster management is vitally important to the community. De-amalgamation may not only cause duplication of services but may also affect the ability to respond to and mitigate disasters.

Maroochydore Principal Regional Activity Centre

Maroochydore was identified as the Principal Regional Activity Centre for the Sunshine Coast by both SCRC and the state government (South East Queensland Regional Plan 2009).

The centre will include a retail precinct, a golf course and other unspecified facilities. The SCRC recently purchased a large land parcel and needs to secure more land to fulfil this plan.

There is a risk that de-amalgamation would delay this project and costs will rise due to inflation to a point where the project might not eventuate.

Caloundra South

Caloundra South is a proposed new Sunshine Coast master-planned community. If approved, the new community will be established on a 2,310 hectare former forestry site.

Currently, the Urban Land Development Authority (ULDA) is the state government agency with planning responsibility for the site. The ULDA Development Scheme for Caloundra
South was adopted by the state government in October 2011. At this stage there is no infrastructure agreement with the developer for the land. The ULDA is currently being transformed into Economic Development Queensland under the Economic Development Bill 2012. This may have an impact on the proposed development.

Unless there is a gap in funding between the infrastructure charges and the amount to be funded by the developer, de-amalgamation is unlikely to affect the progress of this development.
Journey to work profile ~ Sunshine Coast Region

This map shows the areas of interest for the following journey to work analysis according to the Australian Bureau of Statistics (ABS) 2011 Census data using Statistical Local Areas (SLAs). Journey to work data is an indicator of communities of interest. The boundaries used by the 2011 Census did not align exactly with the pre-amalgamation local government boundaries. In order to address this issue, a model incorporating additional data from the Australia Post Postal Address File was applied.

The area including Noosa-Noosaville, Sunshine-Peregian and Tewantin area shows high self-containment with 73 per cent of journey to work trips staying within this region in 2011. The Noosa Balance area has lower self-containment (36 per cent), however the majority of trips leaving the Noosa Balance area are travelling to the Noosa-Noosaville, Sunshine-Peregian and Tewantin area.
Sankey chart ~ Journey to work data

This chart shows journey to work volumes between different origins (left) and destinations (right). The thicker the line, the greater the volume of journeys between origin and destination.

<table>
<thead>
<tr>
<th>Origin</th>
<th>Destination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Noosa (Noosa-Noosaville, Sunshine-Peregian &amp; Tewantin) Area</td>
<td>Noosa (Noosa-Noosaville, Sunshine-Peregian &amp; Tewantin) Area</td>
</tr>
<tr>
<td>Noosa Balance Area</td>
<td>Noosa Balance Area</td>
</tr>
<tr>
<td>Maroochy (Baljone, Paynter-Petrie Creek, Nambour &amp; Buderim) Area</td>
<td>Maroochy (Baljone, Paynter-Petrie Creek, Nambour &amp; Buderim) Area</td>
</tr>
<tr>
<td>Maroochydore, Mooloolaba &amp; Maroochy Coastal North Area</td>
<td>Maroochydore, Mooloolaba &amp; Maroochy Coastal North Area</td>
</tr>
<tr>
<td>Caloundra (North, South &amp; Kawana) Area</td>
<td>Caloundra (North, South &amp; Kawana) Area</td>
</tr>
<tr>
<td>Caloundra (Hinterland &amp; Rail Corridor) Area</td>
<td>Caloundra (Hinterland &amp; Rail Corridor) Area</td>
</tr>
<tr>
<td>SEQ</td>
<td>SEQ</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>origin/destination zone name</th>
<th>2006 SLAs in zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Noosa (Noosa-Noosaville, Sunshine-Peregian &amp; Tewantin) Area</td>
<td>Noosa-Noosaville, Sunshine-Peregian and Tewantin</td>
</tr>
<tr>
<td>Noosa Balance Area</td>
<td>Noosa Balance</td>
</tr>
<tr>
<td>Maroochy (Baljone, Paynter-Petrie Creek, Nambour &amp; Buderim) Area</td>
<td>Maroochy Balance, Paynter-Petrie Creek, Nambour and Buderim</td>
</tr>
<tr>
<td>Maroochydore, Mooloolaba &amp; Maroochy Coastal North Area</td>
<td>Maroochy Coastal North, Maroochydore and Mooloolaba</td>
</tr>
<tr>
<td>Caloundra &amp; Kawana area</td>
<td>Caloundra North, Caloundra South and Kawana</td>
</tr>
<tr>
<td>Caloundra Hinterland and Rail Corridor area</td>
<td>Caloundra Hinterland and Caloundra Rail Corridor</td>
</tr>
<tr>
<td>SEQ</td>
<td>South East Queensland excluding Sunshine Coast areas</td>
</tr>
</tbody>
</table>
Economic development

Economic development is a concept that generally refers to the actions of government and communities to promote a higher standard of living. Such actions may involve the development of infrastructure and regional competitiveness.

Economic activity in the region is based around tourism, primary production, building, commerce, retail and light industry.

Growth

Population growth is an important factor and contributes to economic growth. An increasing population in a local government area usually means an increase in the rateable property base. This is the primary source of local government revenue. Without economic growth communities can quickly stagnate. Local government areas with very low, zero or negative growth generally require significant levels of subsidisation from state and federal governments.

Projected population growth rates in both the new NSC and remaining SCRC are expected to be around 1 per cent. The population of a new NSC is estimated at 61,719 with 29,711 rateable properties. The estimated increase of 0.4 per cent means approximately 120 new rateable properties per year over the five-year forecast period. It is likely the relatively large population size and number of rateable properties of the proposed NSC has capacity to absorb the rise in cost of rates and utility charges needed to provide a reasonable level of service and capital expenditure.

Costs for a new NSC to do business are likely to increase if growth is limited. This is reflected in the sustainability ratings assigned by QTC for a new NSC of Moderate (neutral) and a new SCRC of Sound (neutral). De-amalgamation would result in SCRC being downgraded from its rating of Strong (neutral). A local government with a larger population and more rateable properties has a greater capacity to provide services, better absorb unforeseen shocks and be better placed to contribute to the economic development of its area.
Tourism

Since local government amalgamation in 2008, events such as the global financial crisis and the increasing value of the Australian dollar have had a decisive impact on tourism in Queensland.

The Sunshine Coast is the third most popular destination in Queensland. While the Sunshine Coast has had an increase in visitors from New Zealand in the past year, other international markets have declined. Domestic tourists, specifically Queenslanders, represent the majority of visitors to the region. The Sunshine Coast draws a small international market (only 7.8 per cent of total overnight visits), with most visitors coming from New Zealand and Europe. The trial Auckland to Sunshine Coast flight service has recently been extended to October 2013, creating further tourist movement.

Sunshine Coast Destination Ltd (SCDL) was created in 2010 to represent the region and reduce duplication. SCDL is currently the Regional Tourism Organisation (RTO) representing the area from the Glass House Mountains in the south, to Rainbow Beach in the north and the hinterland in the west.

Tourism Noosa is the official tourism organisation for the northern region of the Sunshine Coast. Noosa historically has a strong tourism brand that exploits a range of available experiences (National Parks, waterways, beaches and hinterland).

Tourism Noosa has produced a document NOOSA – Sustainable Destination Action Plan 2013-2016 which can be viewed on www.visitnoosa.com.au setting a strategic vision for the leadership and management of the tourism industry in the Noosa community.

This strategy identifies three key priorities for growth:

- marketing and events
- industry and product development
- sustainability.

In order to deliver on these priorities, recommendations include working with local government on a number of initiatives.

A possible de-amalgamation would have a detrimental effect on levels of service to tourism and levels of service in general which would affect the attraction of the region to tourists.
Electoral arrangements

New council

<table>
<thead>
<tr>
<th>Name</th>
<th>Noosa Shire Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boundaries</td>
<td>The former Noosa Shire Council would be re-formed to its pre-2008 boundary</td>
</tr>
<tr>
<td>Elections</td>
<td>Quadrennial</td>
</tr>
<tr>
<td>Remuneration category</td>
<td>Category 4</td>
</tr>
<tr>
<td>Classification</td>
<td>Shire</td>
</tr>
<tr>
<td>Composition of mayor and councillors</td>
<td>1 + 6</td>
</tr>
<tr>
<td>Quota</td>
<td>N/A</td>
</tr>
<tr>
<td>Divided/Undivided</td>
<td>Undivided</td>
</tr>
<tr>
<td>Population 2006</td>
<td>48,556</td>
</tr>
<tr>
<td>Projected population 2026</td>
<td>58,432</td>
</tr>
</tbody>
</table>

Remaining council

<table>
<thead>
<tr>
<th>Name</th>
<th>Sunshine Coast Regional Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boundaries</td>
<td>Current regional council boundaries with Noosa removed</td>
</tr>
<tr>
<td>Elections</td>
<td>Quadrennial</td>
</tr>
<tr>
<td>Remuneration category</td>
<td>Category 8</td>
</tr>
<tr>
<td>Classification</td>
<td>Region</td>
</tr>
<tr>
<td>Composition of mayor and councillors</td>
<td>1 + 10</td>
</tr>
<tr>
<td>Quota</td>
<td>For the remaining divisions to stay unchanged and to be normalised as part of the normal process leading into the 2016 local government quadrennial elections</td>
</tr>
<tr>
<td>Divided/Undivided</td>
<td>Divided</td>
</tr>
<tr>
<td>Population 2006</td>
<td>241,470</td>
</tr>
<tr>
<td>Projected population 2026</td>
<td>415,295</td>
</tr>
</tbody>
</table>
Map ~ current Sunshine Coast Regional Council area
Map ~ former Noosa Shire Council area
Map ~ remaining Sunshine Coast Regional Council area