Attachment 1

Guide to local government change proposals

Guide to local government change proposals

The Queensland Government's vision is to create a framework for sustainable, capable and accountable local government enabling thriving local communities.

In some cases, there may be benefits to communities from making changes to their local government arrangements. The *Local Government Act 2009* requires all changes to local government arrangements to be assessed by the independent Local Government Change Commission (Change Commission).

Local Government Change Commission

The Change Commission is an independent body established under the *Local Government Act* 2009 responsible for assessing proposed local government changes and making recommendations to the Governor in Council for implementation by regulation. The Change Commission is constituted by the Electoral Commissioner of Queensland and may also include the Deputy Electoral Commissioner and casual change commissioners appointed by the Governor in Council.

For more information on the Change Commission and its processes go to the <u>Electoral</u> Commission of Queensland's website.

To help do this, the Department of State Development, Infrastructure, Local Government and Planning has developed this guide to ensure proposals for a local government change result in the best, most financially sustainable, common-sense outcomes for the community without unnecessary costs to the community and outlines the circumstances that may trigger consideration of a local government change proposal by the Government.

The types of local government change proposals include:

- changes to a council's name or classification
- changes to the external shared boundary with a neighbouring council
- changes to the number of councillors serving on council
- whether the council should change from divided to undivided representation (or the reverse)
- changes to the divisional boundaries, names of divisions and the number of councillors per division

This guide applies to councils operating under the *Local Government Act 2009*. The processes for progressing changes to Brisbane City Council differ in some cases. However, this guide can be of



assistance to changes involving Brisbane particularly where the proposals impact on neighbouring councils.

Local government change policy

The Government will only propose changes to the Change Commission for independent review if:

- the proposal is required under legislation;
- the proposal is supported by resolution of the affected local government. If the proposal affects more than one local government then all affected local governments must agree to the proposed change and support it by resolution. If not, the proposal may not be referred to the Change Commission;
- the proposal is supported by a reasonable level of community support and the proposal will not adversely affect the sustainability of the affected local government/s.

The Government does not generally support or commit to the creation of new local government areas unless extraordinary circumstances exist.

Requirements of the legislation

Section 18 of the *Local Government Act 2009* provides that the Minister for Local Government may propose a local government change to the Change Commission. While Brisbane City Council may propose changes to its arrangements under the *City of Brisbane Act 2010*, any external changes impacting on other councils need to be proposed by the Minister.

The Change Commission is responsible for assessing a proposed local government change to determine whether it is in the public interest.

The Governor in Council (acting on advice of the Minister) may implement any recommendations of the Change Commission under a regulation.

Local government change process

The process for local government change proposals involves 4 steps.

Step 1 involves a proponent for change developing their proposal. The Minister may receive a request for a proposed local government change from the community, one or more local governments or a proposal suggested by a State Government Department. Only the Minister may propose a local government change to the Change Commission.



A proposal needs to detail the change sought and set out the public benefit sought to be achieved through the change. Most proposals will need to demonstrate support from the community and the affected local governments for the change and consider whether the change is consistent with the 'local government principles' set out in section 4 of the *Local Government Act 2009*.

Step 2 involves assessment by the Department and potential referral to the Change Commission by the Minister for Local Government. The Department assesses proposals for a local government change to ensure that they are consistent with legislative requirements and the Government's policy.

The Minister will only propose the same local government change proposal to the Change Commission once in a local government term, except where extraordinary circumstances exist and additional Ministerial views or directions are required to aid the assessment.

Step 3 involves assessment by the independent Change Commission as to whether the proposal is in the public interest. The Change Commission undertakes a thorough review of the proposal and may consult with the relevant communities on the impacts of the proposed change.

Step 4 involves implementation of any recommendations from the Change Commission by regulation.

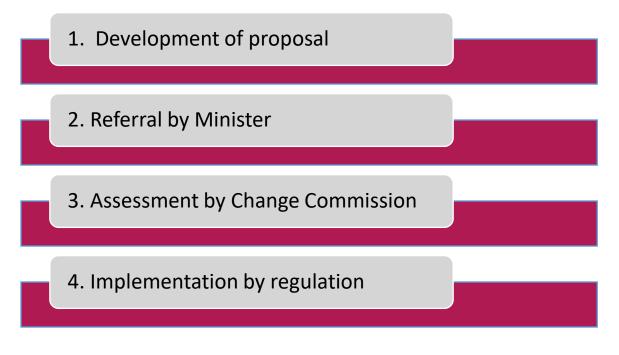


Figure 1.1 Process for local government change proposals



Preparing a local government change proposal

The level of detail required in a proposal for a local government change will depend on the potential impacts associated with the proposed change. The Department of State Development, Infrastructure, Local Government and Planning classifies the different types of changes as follows.

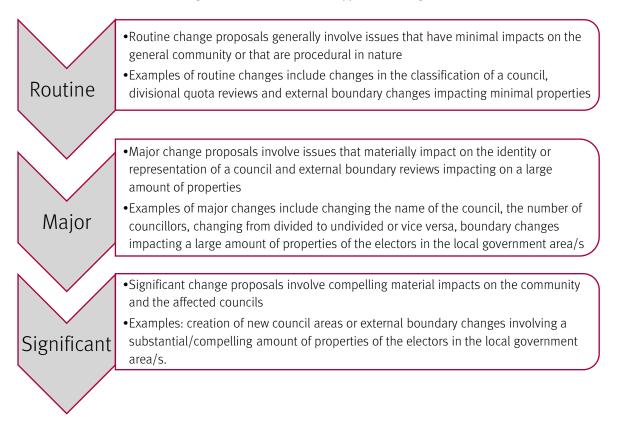


Figure 2.2 Classification of local government change proposals

The proponent council/s for a local government change must clearly set out what is involved in the proposed change and the reasons why the proposed change is in the public interest. The more complex the proposed change, the more detail may need to be included in the proposal submitted to the Minister for Local Government.

For example, a proposal to change an external boundary to unite a single property lot split between two local government areas does not need much detail other than written agreement of each council and the affected landholder. However, a proposal for a major change to the external boundary of a local government would require substantially more detail including written agreement of all affected councils, details of communities of interest underpinning the proposed new boundaries and evidence of community support for the proposal.

Local government change proposals are to improve a local government's arrangements and should be in the public interest. In general, proponents should not be seeking local government changes as an option to address concerns with ordinary local government decisions including perceptions about the level of rates charged or about service standards delivered by councils.



In addition, proponents for significant local government changes are also required to undertake an analysis of alternative operating options (such as joint local government arrangements, shared services agreements, resource sharing etc.) that have been considered instead of the proposed change due to the impacts on the affected community and councils associated with significant change proposals.

Additional information that should be contained in proposals for local government changes are set out below.

Support for the change

The Change Commission undertakes consultation with affected stakeholders as part of its formal assessment of a change proposal dependent on circumstances.

However, as the assessment and implementation of proposed local government changes can involve considerable costs to proponents, affected councils, the Change Commission and the State, major and significant change proposal submissions should demonstrate to the Minister for Local Government a reasonable level of support from community and affected local governments before consideration will be given to proposing a change for a formal assessment.

Proposals for a local government change should be supported by resolution of the affected local governments. If one or more of the affected local governments does not agree to the proposed change, the proposal may not be referred to the Change Commission.

Proponent council/s are not required to undertake formal plebiscites to demonstrate community support for proposed changes. However, any councils proposing a local government change are encouraged to undertake community consultation to demonstrate public support for the proposal. Examples of the types of documented support include petitions, surveys, community meetings and informal polls. Community consultation should be open to all persons directly impacted by the proposed local government change. For example, a proposal impacting on an area might involve a survey sent to all properties in the area.

The level of support that should be demonstrated should at least meet the minimum requirements set out in the following table.



Routine

- •Documented support by resolution from affected councils
- •Evidence that proposal is supported by resolution of the affected councils. If not supported, provide reasons why the proposal is still in the public interest
- •For quota reviews, documented community engagement and support is not required unless council proposes new divisional boundaries as part of its notification to the Minister and Electoral Commissioner

Major and Significant

- •Evidence of engagement and support from a significant portion of affected community
- •Documented support by resolution of affected councils
- If not supported by all affected councils, the proposal will not be referred.

Figure 3 Support required for local government change proposals

Costs associated with a proposal for change

Local government changes will often involve costs for the local governments impacted and, in some cases, may involve material impacts on the ongoing financial position of the councils involved. Proponents must identify the costs, if any, in their proposal to the Minister for Local Government as part of their submission.

The proponents are responsible for identifying the potential costs associated with the proposed change and for undertaking the financial analysis required for more complex change proposals. Depending on the complexity, the Minister may request that the proponent engage another suitably qualified organisation to conduct the analysis.

The table below sets out the details of costs associated with proposals that proponents are expected to provide.



Routine

- •Generally will not involve material costs to councils
- •Where the proposal involves external boundary changes, the proposal should confirm whether any assets or liabilities will need to be transfered
- •Where the proposal relates to the reclassification of a local government, the proposal should consider costs of rebadging material

Major

- •Estimates of any costs or savings anticipated as a result of the change
- •Examples include changes to councillor remuneration, costs of rebadging material, professional costs
- •Where the proposal involves external boundary changes, the proposal should confirm whether any assets or liabilities will need to be transfered

Significant

- Proponents will be expected to provide a comprehensive analysis of the expected impacts the proposal might have on the financial sustainability of the affected local governments
- •Where the proposal involves external boundary changes, the proposal should confirm whether any assets or liabilities will need to be transfered

Figure 4.4 Cost analysis required for change proposals

Timing of proposals

The complexity of a proposal for local government change and the number of stakeholders involved will determine how long the Change Commission requires to undertake its assessment of the proposal and for the State Government to implement the Change Commission's recommendations by regulation.

In most cases, the State Government will time the implementation of any change proposals that impact on electoral matters and elected representation of a local government with the next quadrennial local government elections. However, changes that do not impact on elected representation can be implemented earlier in the electoral cycle if appropriate.

In the year prior to the local government quadrennial elections, the Change Commission undertakes divisional boundary reviews to ensure that each division of all divided local governments in Queensland have a reasonable proportion of electors at the forthcoming election.

In addition, the assessment of proposed changes by the Change Commission must be coordinated with other electoral priorities delivered by the Electoral Commission of Queensland, specifically delivery of local government quadrennial and State general elections which are conducted within the same calendar year.



Therefore, proposals for change other than divisional boundary reviews should be submitted to the Minister for consideration at least 18 months prior to a quadrennial local government election, to allow the Change Commission to coordinate or prioritise the assessment in conjunction with the divisional boundary review process. In some circumstances, assessment of a significant or major proposed change may need to be delayed until after the election period.

The table below sets out the minimum timeframes before a quadrennial local government election for submitting different types of local government change proposals.

Ciencifica entre entre entre entre	24 months		
Significant external boundary changes	Major external	18 months	
	boundary reviews Changing electoral representation from divided to undivided or the reverse	Changing the number of councillors in a divided council Changes to council classification or name Notification of divisions out of quota Routine external boundary changes	12 months Change in number of councillors in an undivided council

Figure 5 Estimated time for undertaking reviews

These timeframes are estimates only and proponent councils are encouraged to submit their proposals to the Minister for Local Government before these times to increase the likelihood that the process can be completed before the next quadrennial local government elections. However, due to the complexity of the processes involved in reviewing proposals for local government change, the State Government cannot guarantee that a proposal submitted before the timeframes will be completed in time for a quadrennial local government election.



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