

QLD LOCAL GOVERNMENT REFORM ALLIANCE Inc

Newsletter Number 9 - December 2014



A WARM CHRISTMAS WELCOME:

Hello to you all – here is the newsletter for 2014, finally! Packed full due to the delay in its compilation. It has some articles of interest, an update from the management committee and lots more. Please enjoy and on behalf of the committee, we wish you all a cheerful and happy Christmas and best wishes for the New Year. Looking forward seeing you in 2015 to meet the challenges it will no doubt bring.

MEMBERSHIP

Many of our members have renewed for this financial year and we say “Thank You” for your fees and continued support. If you have not renewed please consider doing so at your earliest convenience. We have collected some monies at our AGM but the more current financial members the better. Please renew your membership as soon as possible. (Membership forms attached). **New Member:** Great news is that Crows Nest & District Tourist & Progress Association have joined This group is actively trying to keep this beautiful small town strong. Forced into amalgamation with the Toowoomba Regional Council it struggles against the large centralised council bureaucracy in Toowoomba – a Council that stretches from Crows Nest in the north to Cambooya in the south. It covers 13000 square kilometres. One wonders how a council that has a large city - Toowoomba can possibly service all the outlying small rural towns such as Crows Nest as well.

QLGRA

Primary goals:

I. To promote community acceptable natural Local Government boundaries that reflect locally held beliefs about community and identity, and provide local amenity and service;

II. Recognition in the State Constitution of Local Government as a legal entity with a clearly articulated role in governing, such that it can only be changed after a majority vote in a properly constituted referendum;

III. Retention and maintenance of reasonable levels of State and Federal Grants and Subsidies to support the necessary and important role of Local Government in providing and supporting rural and regional infrastructure serving not only local communities but also the state and the nation.

Strategic goals:

IV. To promote the benefits of effective, community based ‘local’ government throughout the general public and as an area of learning and study in tertiary institutions;

V. To share the commonality of our cause with all amalgamated shires and promote the sharing of strategy and resources to overcome barriers to de-amalgamation and boundary changes.



This cartoon appeared in Punch in March 1901. The caption title is ‘MORE AMALGAMATION’ and reads: Parish Councillor: ‘Wull I do vote that the two parishes be marmaladed.’ Chairman: “ Our worthy brother councillor means, I understand, that the two parishes should be JAMMED TOGETHER.”

Report from the Alliance's Management Committee:

The Management Committee has undertaken a range of activities over the last 4 months.

The AGM: The Annual General Meeting was held at the Old Bundy Tavern on September 13. It was a great chance to put faces to names and we were very happy to see members from all over the state. There was also over 20 apologies. We were buoyed by speeches from Chair Bob Johnson and given plenty to think about by Ken Park (Strategy Officer).

The lively group was also addressed by former MP for Hinkler Paul Neville (the Federal seat for Bundaberg area). His speech detailed the history of councils and their relationship to other layers of government in Australia. He then detailed some of his experience of the 11 councils that existed in his electorate prior to the 2008 amalgamations. Of particular note was his comment on the Mt Perry Council – the smallest council but one of the most efficient and effective councils. Mt Perry population at the time? 350!!! He then detailed strategies that may assist us to promote the Alliance.

The AGM also provided a forum for people to discuss their concerns and provide a summary of local events. A highlight of the day was the local roundup with speakers from each representative group - Buck Rogers's speech about the loss of Redcliffe was memorable. The afternoon session also gave us time to plan our future guided by Pamela Liddell.

We also heard about changes to the ALP platform and this will be detailed in the article "[The State Election.](#)"

A motion was also passed to allow Associate groups full voting rights and moving all membership fees for groups to \$50. The change of rules application has been sent to the Office of Fair Trading and are also to be posted on our website www.qlgralliance.org.au.

A post AGM dinner was enjoyed by several members at Grunske's on the River. A big thank you to Astrid Kennedy who was instrumental in the coordination of the event despite not being able to attend.

Federal Level Activities: The committee has written to all Queensland Federal Senators to request the establishment of a Senate level inquiry in to the effectiveness of council amalgamations. We now recognise to advance our cause we will be best served by approaching other like-minded groups across Australia.

State Activities: The committee has prepared letters for all QLGRA Inc members to use to send to their local candidates for the coming Queensland state election – see article "[Write to your Pollies'](#)"

International Activity: Our chair Bob Johnson has made contact with a like-minded NZ group and groups in northern NSW.

Community Forum: The Committee has also started making plans for a community forum to be held in 2015. We are aiming to invite academic speakers to update us on current research into the effectiveness of the amalgamated councils. We are also wanting to attract speakers from areas that have been allowed to de-amalgamate.

Management Committee

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THE STATE ELECTION

We are all aware of the impending state election although its date has not been set. However it must be held by March 2015 and many candidates are already in place. There is no doubt that it will be a close fought event and it is even possible that Independents such as Peter Wellington (Nicklin) and Liz Cunningham (Gladstone) may hold considerable power. What do we know about the policies of the major and minor parties? Here is a summary of what we have gathered so far:

The LNP continue to deny any further discussion about de-amalgamation or boundary changes. All approaches to the LNP government through both Premier Campbell Newman and Local Government Minister David Crisafulli have met with a brick wall – an absolute refusal to consider any requests for an Inquiry let alone the right to referendum for affected communities. It is unlikely that we will see changes to this prior to the election unless Premier Newman finally does open up his ears and start listening in a bid to win votes. **The ALP** have inserted a new policy into their platform for the coming state election. It does give a glimmer of hope that they may re-consider the actions of Premier Beattie in 2007. On page 67 of the ALP Policy Platform for the State election they state:

“7.130 Labor will provide for an independent review process of Local Government size and boundaries to ensure that existing configurations of Councils are appropriate for the communities they serve.” (http://www.queenslandlabor.org/wp-content/uploads/2014QldPolicyPlatform_web.pdf)

It will be very interesting to get an idea of what this means when it comes to the finer detail. **The Greens:**

The QLGRA Inc recently approached all Queensland senators about establishing a Federal Inquiry into the Amalgamations of Councils in Queensland. Here is the response from Dominic Jarvis Office Manager for Senator Larissa Waters: “I just wanted to let you know that Senator Waters and her Australian Greens colleagues are opposed (and have historically been opposed) to council amalgamations here in Queensland, and would support any Senate Inquiry into this issue if appropriate and constitutional terms of reference were presented.”

The QLGRA Inc is very keen to further understand and share any political party’s policies. We have approached but are yet to hear formally from Palmer’s United Party. If you hear or see of anything please let us know – email to qlgralliance@gmail.com

WRITE TO YOUR POLLIE

Following on from the above, the Alliance is encouraging all members to write or contact their local candidates for the coming state election. We encourage you to approach all candidates and once their views are known then we encourage you to share it through your local media and on the website. By doing this we will be putting pressure on the politicians and although it might not affect all votes it might affect those swinging votes to favour any politician who supports the right to demerger referendums.

The Management Committee has drafted a sample letter which we encourage you to use. These are attached either electronically or as a paper copy if you are receiving this by post. If you plan to undertake this activity please undertake the following steps:

1. Personalise the letter to your local circumstance.
2. Identify your local politicians and their address.
3. Post the letter and if you receive a response share with your public as YOU see fit eg local papers.
4. Please forward responses to qlgralliance@gmail.com for publication on the QLGRA Website

If you need help do not hesitate to contact Bob Johnson or Ken Park –see phone details on the previous page.

WHAT'S THE CONNECTION BETWEEN COUNCIL AMALGAMATIONS AND THE SE QUEENSLAND, WATER AND SEWERAGE CONGLOMERATES?

By KEN PARK (Strategy Officer)

The wholesale amalgamation of councils in Queensland in 2008 and the subsequent creation of the water and sewerage conglomerates in SE Queensland in 2009 are related. Both are symptoms of the same sickness: a lack of democracy, centralisation and the transfer of power away from elected representatives to bureaucrats. The belief that there are limitless economies of scale and that unelected, unaccountable "professional" managers are the preferred model for enterprises was in favour with the Labor government at that time.

In 2008 the number of councils in Queensland was almost halved by forced undemocratic amalgamations to form regional councils. Before then each council had its own water and sewerage department and in the larger councils such as Maroochy and Caboolture, these departments had already been corporatized into wholly owned council business units.

Upon amalgamation each new regional council inherited the water and sewerage departments from the amalgamated councils. While these regional councils were still grappling to rationalise the services, assets, manpower and financial arrangements that they had inherited; their water and sewerage responsibilities were taken away.

All of their "bulk" or wholesale water responsibilities [dams, desalination, bore fields and the SE Queensland water grid] were taken over by the state [SEQ Water]. Simultaneously three water and sewerage conglomerates were created for the "retail" distribution of water, sewerage reticulation and treatment and the billing function. These were:

- ◆ ALLCONNEX. Responsible for Gold Coast, Logan and Redland. This organisation has been recently disbanded and the responsibilities returned to local government.
- ◆ QUEENSLAND URBAN UTILITIES. Responsible for Brisbane, Ipswich, Lockyer Valley, Scenic Rim and Somerset.
- ◆ UNITYWATER. Responsible for Moreton Bay Region, Sunshine Coast and [now] Noosa.

Each of these conglomerates was set up with a Board of Directors. All directors are appointed by the constituent councils with a majority of independent directors and a minority of councillor directors; in some cases all are independent. These organisations suffer from all of the ills of unelected unaccountable overpaid huge monopolistic bureaucracies.....inefficiency, unaccountability, bureaucratic attitudes etc.

In addition, the legislation established these organisations with two very heavy mill stones around their corporate necks:

They are required to pay substantial profits to the constituent councils. In the case of UnityWater this accounts for about 20% of customers' bills.

The book value of infrastructure that was taken over was transferred as a debt. In the case of the assets once owned by Caboolture shire, these were compulsorily acquired by Moreton Bay regional Council at no cost; but when the same assets were compulsorily acquired from MBRC by UnityWater they were transferred at book value as a debt to MBRC. Consequently UnityWater owes \$1.5Bn to the participating councils and servicing this debt adds a further 20% to customers' bills. These customers are paying interest on the cost of infrastructure that they already owned and had paid for! This is one of the major complaints with these conglomerates. **

So, yes, in SE Queensland the amalgamation of councils and the creation of the water and sewerage conglomerates are related; and both are symptoms of the same sickness. Although general rates charged by the regional councils* has not increased very much more than the CPI [because of the huge dividends and interest payments received from their water and sewerage interests]; the cost of water and sewerage services have generally increased by 250% since the days of local council managed utilities.

Editors Note: * In the larger councils rate rises may not have been as significant, as it is for those in some rural regional councils. However a significant number of all councils have also experienced growing debt levels. ** The second millstone is the need to make profit.

CONNECTING WITH NEW ZEALAND

Recently we were contacted by the Local Democracy Coalition – a group formed in New Zealand to oppose council amalgamations. They have established an excellent website and I would recommend that you look at the site: <http://localdemocracy.org.nz/faq-keeping-the-facts-straight-2/faq-alternatives-to-amalgamation/>. **Here is a snippet:**

WILL LARGER COUNCILS MEAN LOWER RATES?

Amalgamations do not automatically deliver savings. Good internal practices, rather than the scale of operations, are the key to cost savings. The NZ Productivity Commission supports this finding.

Amalgamation is often a long and costly process with potentially large re-distributional impacts as rates and debt levels standardize across a region. Even if cost-savings can be achieved they rarely translate into rates reductions.

Both draft proposals for Northland and Hawkes Bay claim that “re-organisation was most likely to result in more efficient and effective processes for delivering services to the community **rather than reduction in rates**”.

Good idea to let any of your friends and family who may have a Kiwi connection to avail themselves of the knowledge that this group gathers.



CLASSIC AMALGAMATED COUNCIL ANTICS

Well I have had a few contenders for the prize this edition:

A friend of mine rang her local amalgamated council to see if they would remove the trees blown down in the recent storms. She was asked if she was sure she lived in that council's area because they did not know her area. That is when you know you are too far from the new Regional Centre.

We went to the local community consultation session where in theory the Council was involving locals in the planning process. Great start when we look at the map provided and our 'village' (the new term for your town) is not even on the map!

Or I was reminded of the loss of another service yet again. Prior to amalgamation the Boonah Shire Council had two JPs in the office at all times – they were staff members. Now *'the far more efficient and effective'* Scenic Rim Scenic Council has disbanded this service and we now have 2 volunteer JPs available for 2 hours once a week in the Cultural Centre. Yup – efficiency is new code for LESS.

But the winner is:

The Lockyer Valley Regional Council (an amalgamation of Laidley and Gatton Shires) has introduced rate rises in the vicinity of between 200 and 500% for this financial year!! A quote from the local paper reads:

“Mike Stewart of Plainland Caltex said their rates had shot up from \$24000 to \$150000 a year.” (taken from Gatton, Lockyer and Brisbane Valley Star 22 August 2014.)

So how good will this be for an area that is overcoming the impacts of the severe flooding of 2011 and 2012?