



THE HON BRUCE SCOTT MP
FEDERAL MEMBER FOR MARANOA
CHAIRMAN DEFENCE SUB COMMITTEE
JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE
ACTING DEPUTY SPEAKER

Committee Secretary
Finance and Public Administration Committee
Department of the Senate
Via email: fpa.sen@aph.gov.au

To the Committee Secretary,

Re: Letter preceding submission to the Inquiry into the Commonwealth Electoral Amendment (Democratic Plebiscites) Bill 2007

Please consider this letter to be an indication of my intention to forward a submission to the Inquiry into the Commonwealth Electoral Amendment (Democratic Plebiscites) Bill 2007. I would also like to express my willingness to present my submission to the Senate Enquiry when they meet in Emerald on Friday, 31 August 2007.

My submission, which will be forwarded to the Senate Inquiry on Monday, 27 August 2007, will outline my main concerns for the future of the numerous rural small towns in my electorate of Maranoa. Recent history shows amalgamation of local councils has been disadvantageous to the people of small towns. As the Federal Member for Maranoa and a representative of many rural communities, I am sceptical of Premier Peter Beattie's guarantee that the same quality of local services and local employment will continue. Many small businesses and services rely on shire councils for revenue; the amalgamation of councils will jeopardise the viability of many of these businesses due to the geographical movement of council headquarters.

I thank and commend the Federal Government for supporting the people of Maranoa and Queensland through their offer to fund plebiscites for local governments. My hope is the local councils within my electorate of Maranoa will take advantage of this opportunity and indicate to Peter Beattie their opinion on the amalgamation of their shires.

Yours sincerely,

BRUCE SCOTT MP
23 August, 2007



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FEDERAL MEMBER FOR MARANOVA
CHAIRMAN DEFENCE SUB COMMITTEE
JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE
ACTING DEPUTY SPEAKER

Monday 27 August, 2007

Committee Secretary
Finance and Public Administration Committee
Department of the Senate
Via email: fpa.sen@aph.gov.au

To the Committee Secretary,

**Re: Submission to the Senate Inquiry into the Commonwealth
Electoral Amendment (Democratic Plebiscites) Bill 2007**

Firstly, I would like to express my appreciation for the opportunity to lodge a submission to the Inquiry into the Commonwealth Electoral Amendment (Democratic Plebiscites) Bill 2007. As the Federal Member for Maranoa, and as such a representative of 36 shires councils, I am appalled at the Queensland State Government's hurried process to forcibly amalgamate shire councils without consultation and without provision for appeal for councils and their communities. I would also like to take this opportunity to thank the Federal Government for listening to the people of Queensland and providing an avenue in which their opinions on amalgamation can be expressed.

I also look forward to the opportunity to discuss my submission with the Members of the Senate Inquiry on Friday, 31 August 2007, in Emerald, Queensland.

The Commonwealth Electoral Amendment (Democratic Plebiscites) Bill 2007 refers in subsection 7A(1F) to Article 19 and paragraph (a) of Article 25 of the International Covenant on Civil and Political Rights, which state respectively:

Article 19:

1. **Everyone shall have the right to hold opinions without interference.**

2. **Everyone shall have the right to freedom of expression;** this right shall include freedom to seek, **receive and impart information** and ideas of all kinds, regardless of frontiers, **either orally, in writing or in print**, in the form of art, or through any other media of his choice.

part of a strong national team

3. The exercise of the rights provided for in paragraph 2 of this article carries with it special duties and responsibilities. It may therefore be subject to certain restrictions, but these shall only be such as are provided by law and are necessary:

- (a) For respect of the rights or reputations of others;
- (b) For the protection of national security or of public order (ordre public), or of public health or morals.

And;

Article 25:

Every citizen shall have the right and the opportunity, without any of the distinctions mentioned in article 2 and without unreasonable restrictions:

- (a) **To take part in the conduct of public affairs, directly or through freely chosen representatives.**

Premier Beattie and his fellow Labor Party representatives have not only denied Queensland local councils of meaningful consultation during the forced amalgamation process, but also attempted to aggressively prevent them from indicating their opinions. In fact, throughout the entire process, local councils were denied a proper opportunity to contribute to the Size, Shape and Sustainability program, which was prematurely discarded and replaced with a token commission ultimately used to rubber stamp the Labor Party's agenda. It is only through this Act will the people of Queensland be able to have their say.

In 2005, the Queensland Government and local authorities agreed to a program called *Size, Shape & Sustainability (SSS)*. This program was overwhelmingly supported and endorsed by both tiers of government, and 177 councils actively undertook investigations into their own performance and quality and competency of service delivery arrangements. It was understood the SSS program would lead to changes across the state, which included resource-sharing arrangements, boundary changes and, in some instances, amalgamation.

On 17 April 2007, the State Government, **unilaterally and without warning, abandoned SSS** and announced the creation of a seven member commission to undertake a state wide review of boundaries leading to the amalgamation of councils and fresh elections on 15 March 2008¹.

The creation of the seven member commission and the hurried process in which the Reform Commission considered submissions and made recommendations has proven meaningful consultation was non-existent. **Stakeholders, including councils and communities, were given only one month to lodge a submission with the Reform Commission.** The lack of opportunity for consultation is obvious, and an insult to local government, considering only a year and a half ago, on 12 April 2006, all tiers of government, including the Labor Queensland Government, signed the Intergovernmental Agreement on Local Government Relations. The

¹ Local Government Association of Queensland Inc. May 2007. *Submission to Local Government Reform Commission*. Page 2.

first and perhaps the most fundamental principle of this Agreement was that all participating parties were 'committed to achieving an open and productive relationship between the three spheres of government'². It seems the Queensland State Government has a blatant disregard for this Agreement, agreed to and signed by the then Minister for Local Government, The Hon Desley Boyle MP. Indeed, as a further insult to Local Government representatives, it seems the decision to abolish the SSS program and proceed with the Reform Commission was made in February this year, months before it was communicated to local government authorities³.

In its report, delivered to the Queensland Labor Government on 27 July 2007, the Reform Commission recommended current existing shire councils be reduced from 156 to 72. There are 89 Queensland state electorates, which now means Parliamentary Representatives at a state level will exceed the number of Mayors in Queensland, a violation of the fundamental premise of the three tiers of government. The Beattie Labor Government overwhelmingly accepted the recommendations of the commission, despite state-wide protest. Furthermore, Premier Beattie and current State Minister for Local Government, Planning and Sport, The Hon Andrew Fraser, took a heavy handed approach to stifling public protest by passing down legislation which would allow the State Government to sack any councils which chose to hold a referendum on the issue of amalgamation. This course of action taken by the Queensland Government is inconsistent with article 25 (a) of the International Covenant on Civil and Political Rights. It is important that Subsection 7A (1E) of the Commonwealth Electoral Amendment (Democratic Plebiscites) Act is adhered to by the State Labor Government. The Premier has since revoked this threat, a backflip one can assume was influenced by the Federal National/Liberal Coalition Government's announcement to fund plebiscites for Queensland local councils.

It is the Federal Coalition Government, then, that is willing to provide the people of Queensland with the opportunity to express their opinion on the decision to forcibly amalgamate shire councils. The Commonwealth Electoral Amendment (Democratic Plebiscites) Act will allow Queenslanders to indicate their opinion on amalgamation at plebiscites later this year. Indeed, the Federal Government is and has been a major supporter of Local Government, contributing almost \$400 million to local government, including over \$325 million annually through Financial Assistance Grants, \$62.5 million through the Roads to Recovery program and in the last financial year, \$9.3 million through the AusLink BlackSpot Program.

As a Federal Government Representative to a Queensland electorate, this Act is of utmost importance to the local councils I represent, many of

² Inter-governmental Agreement Establishing Principles to Guide Inter-Governmental Relations on Local Government Matters. 12 April 2006. *Part I - Fundamental Principles of This Agreement*. Page 2.

³ Local Government Association of Queensland Inc. May 2007. *Submission to Local Government Reform Commission*. Page 2.

which have been vehemently opposed to the forced amalgamation of their shire. Many lodged submissions with the Local Government Reform Commission – and have felt their contribution to the commission was unappreciated or completely ignored. The shire councils in Maranoa have expressed to me their concern, and in some cases, complete fear, of what the future holds for their shires.

In rural and remote areas, in which most of the shire councils in my electorate are located, services provided by councils exceed the 'Triple R' mentality of Roads, Rates and Rubbish. Indeed, many of the councils in the electorate of Maranoa are the lifeblood of the community, supporting local businesses, providing employment, avenues for business development, housing and organising community functions and social events. Three such examples within my electorate are the Tambo Shire Council, the Aramac Shire Council and the Warroo Shire Council.

The Tambo Shire Council employs 52 people. The Council, led by Mayor Dougal Davidson, has for many years been active in strengthening the economic development of the town, attracting new businesses and professionals, and creating a self-reliant town with numerous community services. One such example of this is the Tambo Shire Council's recognition for the need of a pharmacy, as access to pharmaceutical goods was by courier from another town over 100 kilometres away. The Council, realising the current service was inefficient, supplied a rent-subsidised premises for a pharmacy, maintained at Council expense, which allowed for two full-time employees and a chemist available for two full days a week⁴.

The Aramac Shire Council is another example of a local government which provides numerous services. The Council: runs the bank; owns and leases the bakery; employs the only plumber, carpenter and IT officer; runs the aged care services HACC and Meals on Wheels; maintains four museums and one art gallery; maintains the cemetery; employs a fulltime dogger; staffs the emergency services team; owns approx 40 houses which are leased to state government departments, council staff and the general public; maintains the TV community aerials and pays for the licence fees for each channel and for the radio TAB channel. The Aramac Shire currently employs 77 people, many of whom were shearers and have been supported by the Council through employment since the collapse of the wool industry.

The Warroo Shire Council, like many councils in rural Queensland, provides substantial support financially to local businesses. In the 2006 – 2007 financial year, the Warroo Shire Council spent approximately \$370,000 with suppliers based in Surat, its main township. \$40,000 was spent on tyres from the local tyre supplier, \$32,000 was spent procuring the services of the local landscape architect, and \$17,000 was put through the post office, which also acts as an agent for the building society with which the Council banks. The Warroo Shire CEO, Gary

⁴ Cr Dougal Davidson, Mayor of Tambo Shire Council. 1 August 2007. Letter to The Hon Peter Beattie MP.

Rinehart, predicts the loss of the Council's business will be very damaging to the viability of the post office and tyre supplier, and the contract work of the landscape architect will be reduced⁵.

Tambo Shire Council, Aramac Shire Council and Warroo Shire Council are prime examples of proactive councils which provide exceptional services to their communities, supporting local businesses and running their shires efficiently. In fact, The Queensland Treasury Corporation Report considered Tambo Shire Council to be in the top 11% of financially sustainable shires, Aramac Shire is in a strong financial position with \$7 million in cash reserves, has just brought down a \$21 million budget for the 2007-2008 financial year and is debt-free⁶. Similarly, the Tara Shire Council, another local government authority within the electorate of Maranoa, has an accumulated shire asset value of \$85.9 million, which includes \$9 million cash in the bank⁷. All three of these shires have been amalgamated much to the despair and frustration of the Councils and shire residents.

The Beattie Labor Government has repeatedly expressed financial sustainability and efficiency as justification for the forced amalgamation of Queensland shires. One cannot deny that there are a number of councils in Queensland which are in debt or are struggling financially. This could be attributed to the gradual increase in local council responsibility due to pressure from both state and federal levels of government, often without adequate monetary acknowledgement. Whatever the cause, history shows amalgamation is not the answer to monetary problems, and does not only fail to improve efficiency but also damages social fabric and community cohesion. As Professor Brian Dollery asserts in his article in the *Australian Geographer*, 'there is now pronounced scepticism surrounding the proposition that amalgamation is an efficacious method of enhancing municipal efficiency'⁸. Evidence shows that in both Victoria and South Australia, in which councils were amalgamated in the 1990s, the monetary savings from amalgamation were nowhere near what was predicted. The South Australian government 'promised' savings of 17.4 per cent, however only 2.3 per cent was achieved. Similarly, in Victoria, amalgamation led to savings of only 8.5 per cent, despite a prediction of around 20 per cent⁹. Indeed both here and overseas, amalgamation has proved to be a disappointing band-aid answer rather than the solution to addressing inefficiency. As Andrew Sanction discovered in his assessment of local government amalgamation in Australia, Britain, Canada and New Zealand, 'the efficient delivery of municipal services does not require large municipalities'¹⁰. In Canada, for example, the people of Victoria County

⁵Gary Rinehart, CEO of Warroo Shire Council. 27 August 2007. Email to The Hon Bruce Scott MP.

⁶ Cr Dougal Davidson, Mayor of Tambo Shire. 1 August 2007. Letter to The Hon Peter Beattie MP; Cr Gary Peoples, Mayor of Aramac Shire. 14 August 2007. Letter to The Hon Bruce Scott MP.

⁷ Anne Bridle, Tara Shire citizen. 22 May 2007. Letter to The Hon Bruce Scott MP.

⁸ Brian Dollery. November 2005. "A Critical Evaluation of Structural Reform Considerations in 'Rates and Taxes: A Fair Share for Responsible Local Government'". *Australian Geographer* 36 (3). Page 391.

⁹ Brian Dollery. November 2005. "A Critical Evaluation of Structural Reform Considerations in 'Rates and Taxes: A Fair Share for Responsible Local Government'". *Australian Geographer* 36 (3). Page 391.

¹⁰ Brian Dollery. November 2005. "A Critical Evaluation of Structural Reform Considerations in 'Rates and Taxes: A Fair Share for Responsible Local Government'". *Australian Geographer* 36 (3). Page 391.

were so unimpressed with the results of a forced amalgamation, they chose to hold a referendum on de-amalgamation three years after amalgamation was forced upon the county. The result was overwhelmingly in favour of de-amalgamation.

In addition to failing to fully resolve issues of inefficiency, amalgamation has also generated negative consequences in the way of reduced local community cohesion and association, reduced vibrancy in local democracy, decreased economic activity and a loss of sense of place. In an example closer to home, Queensland State MP, Lawrence Springborg, addressed Queensland Parliament using the example of the Warwick Shire Council to express his scepticism of a successful outcome through amalgamation. The Warwick Shire was created from the previous Warwick City Council, the shires of Glengallan, Rosenthal and Allora in a process that 'caused pain which has still not completely healed' and could not be considered a completely financial success¹¹.

"I can tell any member on the government side who stands up and says that an economic rationalist process of forced amalgamation delivers all sorts of winners and every child player gets a prize that that is not the case. It is in no way the case," Mr Springborg said. Beyond the dollars, the impact on identity was real, Mr Springborg added¹².

With the success of amalgamation still being contested, and evidence-based policy on amalgamation in its infancy, it is of great concern, then, to the people of Queensland that the process which has led to forced amalgamation was completed within a matter of weeks. Furthermore, not only has Premier Beattie and his state Labor Government implemented an ill-devised plan, they have denied their own citizens – and voters – the right to indicate their opinions. It is of paramount importance that the Commonwealth Electoral Amendment (Democratic Plebiscites) Act receive royal assent and provide Queenslanders with their democratic right to express their opinions on forced amalgamation.

Again, I thank you for the opportunity, as representative of the Federal seat of Maranoa, the chance to lodge this submission and express the views of many of my constituents.

Yours sincerely,



BRUCE SCOTT MP

¹¹ Olav Muurlink. 2 May 2007 "Springborg breaks rank on Warwick amalgamation 'success' and warns against Stanthorpe-Warwick alliance". *Free Times Independent*. Page 1.

¹² Olav Muurlink. 2 May 2007 "Springborg breaks rank on Warwick amalgamation 'success' and warns against Stanthorpe-Warwick alliance". *Free Times Independent*. Page 1.