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*Howard Hobbs MP*  
*Member for Warrego*  
*Shadow Minister for*  
*Local Government, Planning*  
*and Sport*

**24 August 2007**

Committee Secretary  
Finance and Public Administration Committee  
Department of the Senate  
PO Box 6100  
Parliament House  
Canberra ACT 2600  
Australia

Dear Senators

I am writing to submit evidence to the Senate Standing Committee on Finance and Public Administration Committee views on the merits of the Commonwealth Electoral Amendment (Democratic Plebiscites) Bill 2007.

In submitting evidence to the inquiry I would also make myself available to act as a witness at the Emerald Hearing on 31 August 2007. I believe that in my role as

The Queensland Coalition believes:

**The Bill is necessary**

**The Bill guarantees freedom of speech**

**The Bill provides resources to guarantee freedom of speech**

The Queensland Coalition encourages you to consider these recommendations together with the supporting evidence and ask for you to look with favour on the Commonwealth Electoral Amendment (Democratic Plebiscite) Bill 2007.

Thank you for the opportunity to contribute to the inquiry. We look forward to meeting with you at the hearings.

**Yours faithfully**

A handwritten signature in black ink that reads "Howard Hobbs".

**Howard Hobbs MP**  
**Member for Warrego**  
**Shadow Minister for Local Government, Planning and Sport.**

# QUEENSLAND COALITION

## SUBMISSION TO THE SENATE

### FINANCE AND PUBLIC ADMINISTRATION COMMITTEE

### INQUIRY INTO COMMONWEALTH ELECTORAL AMENDMENT (DEMOCRATIC PLEBISCITES) BILL 2007

**AUGUST 2007**

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## 1.0 Introduction

The Queensland Labor Government's decision to slash the number of councils from 156 to 72 will devastate small communities throughout the State. It will destroy local jobs, local businesses and local services. The most obscene aspect of the Labor Government's amalgamation process has been its dictatorial decision to deny people the right to have a say about the future direction of their communities.

The Queensland Coalition have been witness to an horrendous episode of Queensland history where communities have been denied their right to freedom of speech. The Commonwealth Electoral Amendment (Democratic Plebiscites) Bill 2007 is an important piece of legislation that ensures the democratic rights of individuals is maintained.

The Local Government Reform Bill 2007 presently gives the Minister the power to dismiss a Council if the Council conducted a "poll about whether its local government area should be abolished and be included in a new local government area" (Local Government Reform Implementation Bill 2007 Division 11 section 159ZY(Polls)(1)).

The Bill also included that "All persons who contravene" this section "are jointly liable and severally liable for the total poll amount, which may be recovered by the State, in action as for a debt amount and reimbursed to the existing local government, or the successor of the existing local government, less the costs of recovering the amount".

The Commonwealth Bill provides the vessel to overturn this legislation because it seeks to:

- The Bill is necessary
- The Bill guarantees freedom of speech
- The Bill provides resources to guarantee freedom of speech

The Queensland Coalition support this Bill and commend the Commonwealth Government for its defence of freedom of speech.

## **2.0 Background to the changes in the Queensland Government's position on Local Government Reform**

### ***Size Shape and Sustainability Process***

Recognising the increased pressures being placed on Local Government, in late 2004, the Local Government Association of Queensland (LGAQ) Executive resolved to actively promote discussion amongst its members on the need to consider reform options to ensure the long term sustainability of Queensland Local Government.

This position was adopted on the basis that Local Government itself should be capable of initiating reform rather than have reform imposed upon it by other levels of government.

The Size, Shape and Sustainability (SSS) initiative was an opportunity for Queensland Local Government to self determine what structural reform options best provide for its long term sustainability. The SSS process had bi-partisan support in the Queensland Parliament with the Queensland Coalition adopting the following position as part of its Local Government policy for the Queensland State Election in 2006: “

*The Queensland Coalition recognises the discussion paper “Size Shape and Sustainability” and will continue to work in partnership with Local Government on their initiatives which result from this process”*

The Local Government and other Legislation Amendment Bill 2006 was introduced to implement the legislative requirements of the SSS process.

The State Government decided to scrap the SSS process and implement its own reform agenda which left the SSS process no longer necessary.

## ***Amendments to the Local Government and Other Legislation Amendment Bill 2006***

On April 17 2007 the State Labor Government announced amendments to the Local Government and other Legislation Amendment Bill 2006 that created the “Local Government Reform Commission”.

The terms of reference spelled out under **section 159U** of the Local Government Reform Commission were put in place through this amendment. They stated:

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, and in particular, must consider:*
  - *Review areas established under Size, Shape and Sustainability (SSS) review processes*
  - *Boundaries of areas covered by the regions for which planning advisory committees have been established under the Integrated Planning Act 1997*
2. *The Reform Commission’s recommendations must be directed at:*
  - *Consolidating, to the extent practicable, regional natural resource management areas, including for example water catchment areas, environmental areas and coastal wetlands*
  - *Creating local governments with improved financial sustainability*
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 all of the existing local government areas in the new area rather than parts of the existing areas.*
  - *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.*
  - *In making its recommendations for new arrangements, the Reform Commission must identify any issues requiring further consideration for successfully establishing the arrangements.*

Under the legislation **section 159YP (Review of commissioner’s decision)** spells out that:

1. *A decision of the commissioner under this division –*
  - a. *Is final and conclusive; and*
  - b. *Can not be challenged, appealed against, reviewed, quashed, set aside, or called into question in another way, under the Judicial Review Act 1991 or otherwise (whether by the Supreme Court, another court, a tribunal or another entity); and*
  - c. *Is not subject to any writ or order of the Supreme Court, another court, a tribunal or another entity on any ground.*

2. *Without limiting subsection (1), a person may not bring a proceeding for an injunction or any other order to stop or otherwise restrain the performance of a designated act, or for a declaration about the validity of a designated act.*
3. *In this section –*  
*decision includes –*
  - a) *Conduct engaged in to make a decision; and*
  - b) *Conduct related to making a decision; and*
  - c) *Failure to make a decision.**designated act means an act of the commissioner, including the act of advising the Minister of a decision under this division, the performance of which is authorised, or purportedly authorised, under this division.*

### **Local Government Reform Commission actions**

The Queensland Government established an independent Local Government Reform Commission which commenced work on 1 May 2007 to make recommendations on the most appropriate structure and boundaries for local government in Queensland.

Submissions were invited from stakeholders with a closing date of 24 May 2007. A total of 47, 267 suggestions were received including:

- 3,976 suggestions
- 36,570 Form letters, proformas, surveys and postcards
- 3,624 petition signatures
- 3,277 Referrals from externals source

The Reform Commission handed down it's report on 27 July 2007 (see appendix 2) which included 25 recommendations, of which the State Government adopted 22 of the recommendations.

### **Queensland Treasury Corporation – Council Ratings**

On the 18 May 2007, prior to submissions closing, a list of Councils outlined in the Queensland Treasury Corporation's (QTC) advice to the government, naming those which fall into the 43 per cent found to be either "weak", "very weak" or "financially distressed" was publicly released by the Minister. It is interesting and somewhat concerning to note that in the period from December 2006 to January 2007 the QTC's ratings changed (see appendix 1).

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The McGrath Nicol report “Implications of the ‘weak’ rating as set out in April 2007 Financial Sustainability Review of Local Governments conducted by Queensland Treasury Corporation” produced for the Local Government Association of Queensland highlighted that *“Sustainability issues have arisen as a result of councils taking on extra responsibilities whilst their funding levels have declined. As QTC has identified in the QTC Interim Report, councils are coming under increasing pressure to provide more with less. The extra responsibilities have been a result of the devolution of services, cost shifting, increased community expectations and council policy decisions. At the same time, rates increases have not kept pace with cost increases which have risen at more than CPI levels.”* (page 4)

Further to this the report highlights that

*“none of the councils rated as “weak” are currently insolvent. Similarly, the forecasts provided to us indicate the councils reviewed by us are unlikely to become insolvent within the forecast period (two to ten years).*

*In a private sector context, a business that demonstrated the characteristics set out in any of the 21 FSR reports for councils rated as “weak” that were reviewed by us, would not need to appoint an Administrator, seek the winding up of the company or attract the scrutiny of a regulator solely on the basis of insolvency.”* (page 6)

In comparing the Local Governments to the Private Sector the report stated that

*“We have researched three quantitative financial ratios for a number of listed Australian companies. The research indicates that the QTC minimum indicative measures for those financial measures are higher than the reported results for some of those companies.*

*We consider that if a company in the private sector were rated as “weak” pursuant to the FSR process, opportunities would exist within the two to five year timeframe for that company and its stakeholders to fully consider its financial sustainability and implement remedial strategies where able to do so”* (page 6).



Professor Brian Dollery, a highly ranked economics lecturer, from the University of New England in his assessment of the Queensland State Government's "shock decision" in his paper "Is Council Amalgamation Rational Policy" pointed out that

*"The recent national report by PriceWaterhouseCoopers, as well as numerous state-based inquiries, all established that many Australian local councils are in a parlous financial state. This includes both jurisdictions that have used amalgamations and local government systems, like Queensland and Western Australia, which have not merged councils". (page 1)*

These papers support the conclusion that forced amalgamations are not necessary the answer to Council sustainability and that lack of resources due to price increases on materials above CPI are a major contributing factor. The reports also point out that in comparison to Private Sector companies, Local Government is performing well.

### **LOCAL GOVERNMENT REFORM IMPLEMENTATION BILL 2007**

The Local Government Reform Implementation Bill 2007 was introduced on 7 August 2007 in response to the Local Government Reform Commission's recommendations and passed by the Parliament on the 9 August 2007. The Bill included a number of conditions including:

- Minister has final say on actions of the Council before and after changeover date
- Minister can remove local transition committee members at any time
- Interim Chief Executive Officer can over-ride Council CEO and can direct staff to do whatever they want
- Councils will be in caretaker mode from the moment the legislation is passed through to March and so can't make any major policy decision
  - Cannot sack a CEO
  - Cannot employ a CEO
  - Cannot make decisions over \$150,000 or 1% of last Annual report earnings
- Councils will have little freedom to be able to define their own industrial relations future
  - LTC's will have to develop and implement new industrial arrangements under strict, government controlled guidelines
  - Unelected union officials will have a disproportionate ability to affect the outcomes of any IR initiatives and lock the new councils in to the outcomes

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- Through these arrangements the government and unions will have a chance to bring all council employees in Queensland under their preferred IR model
- Given the current strong opposition to federal WorkChoices legislation it would be surprising if the new staff employment model did not reflect this opposition
- Councils will not be able to determine their rate of pay or whether they are full-time or part-time. Remuneration Tribunal will have final say on Councillor pay and this will have budgetary impacts.
- Fines on Mayors and Councillors of \$1125 for holding a referendum
- When a CEO is appointed an Interim CEO the Interim CEO is removed from the position with their Council – raises serious issues with contractual agreements

This legislation was further amended so that the Minister had the power to dismiss a Council if the Council conducted a “poll about whether its local government area should be abolished and be included in a new local government area” (Local Government Reform Implementation Bill 2007 Division 11 section 159ZY(Polls)(1)).

The Bill also included that “All persons who contravene” this section “are jointly liable and severally liable for the total poll amount, which may be recovered by the State, in action as for a debt amount and reimbursed to the existing local government, or the successor of the existing local government, less the costs of recovering the amount”.

The Bill was passed on the 9 August 2007 and assented to on the 10 August 2007 by request of the Premier in order to impose penalties immediately.

***COMMONWEALTH ELECTORAL AMENDMENT (DEMOCRATIC PLEBISCITES) BILL 2007***

The Commonwealth Government introduced the *Commonwealth Electoral Amendment (Democratic Plebiscite) Bill 2007* which “seeks to override a State or Territory law which prohibits, penalises or discriminates against a person or a body who has entered, or proposes to enter, into an arrangement with the AEC, or who takes part in or assists with (or proposes to take part in or assist with) an arrangement with the AEC” (Explanatory Notes – page 1).

It is concerning that Commonwealth legislation is required to ensure that the International Covenant of Civil and Political Rights is being adhered to in Queensland, but this legislation is necessary because the civil liberties and freedom of speech of Queenslanders have been impinged on by the State Labor Government.

### ***LOCAL GOVERNMENT AMENDMENT BILL 2007***

As a response to the public outcry over the dismissal of Councils for holding referendums on amalgamation, the Minister for Local Government introduced the Local Government Amendment Bill 2007 which seeks to omit all sections related to dismissal of a Council for holding a poll. To date this legislation has still not been debated and so the Local Government Minister still has the right to sack Councils for holding a referendum on amalgamation.

## **3.0 QUEENSLAND COALITION'S RESPONSE**

### ***Size Shape and Sustainability Process***

The Queensland Coalition supported the Size Shape and Sustainability process

### ***Amendments to the Local Government and Other Legislation Amendment Bill 2006***

The Queensland Coalition opposed the amendments to the Local Government and Other Legislation Amendment Bill 2006

### ***Local Government Reform Commission actions***

The Queensland Coalition believes that:

- The process was too rushed because there was no immediate threat that Councils would go broke
- It was an impossible task for the Commission to digest the amount of submissions that were received in the time frame they were given
- The process of the Commission should have been transparent
- The Commonwealth Government, the Local Government Association and the Local Government Managers Association - Queensland should have been involved in the process

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- Due to the rushed process, lack of transparency and the amount of submissions that needed to be considered the decision was potentially a political decision and possibly pre-determined

In response to the Local Government Reform Commissions findings the Queensland Coalition released:

- a) The Queensland Coalition De-amalgamation Policy (See appendix 3)
- b) The Queensland Coalition Communities “No Disadvantage Test” Policy (See appendix 4)

### ***LOCAL GOVERNMENT REFORM IMPLEMENTATION BILL 2007***

The Queensland Coalition opposed the Local Government Reform Implementation Bill 2007 and proposed amendments that had the following effect:

- Change the Parliament’s response to the report of the Local Government Reform Commission
  - The amendment allowed for Local Governments to go to the next quadrennial elections on their current boundaries and, for those where amalgamation has been recommended, to conduct a referendum on whether the amalgamation should occur. If the referendum asking the people if they wish to amalgamate is carried then the transition to the amalgamated council would occur over the next 4 years and the new boundaries would take effect at the 2012 quadrennial elections.
  - This amendment took into consideration that any significant change must occur with a referendum of the people and that change does not need to be rushed. If two councils decide to amalgamate by the support of the majority of people in the areas polled, then the political will is present to amalgamate the council and this major change will be much easier to implement than forced amalgamations that are conducted in a rushed manner.
- Insert a clause that allows for a process whereby communities can de-amalgamate councils within a timeframe of four years (See appendix 3)
- Rename the current legislation to be more representative of what the Minister for Local Government, Planning and Sport is trying to achieve
- Remove any reference to the newly declared class of regional council referred to in the Bill
- Remove the process of establishment of new local government areas and adjustment of local government areas referred to in the Bill
- Remove the unnecessary process of Implementation of Reform matters referred to in the Bill
- Remove the creation of dysfunctional Local Transition Committees and Transition Action Plans
- Remove the requirement to have Interim chief executive officers
- Remove the prohibitive requirement for employment matters to be considered
- Remove the intrusive State intervention powers
- Remove any special arrangements for the transition period

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- Remove of the Miscellaneous clause that imposes fines on councilors for allowing people to have their say in a referendum
- Remove all references to the Local Government Remuneration Tribunal
- Remove the need for a Council to include remuneration and facilities provided together in the Annual Report and instead Inserts a Register of Facilities provided to a Councillor by a local government as part of a councillors remuneration package reported separately in the Annual Report
- Alters the expiry date of anti-competitive provisions and review date of existing local laws to align with the financial year rather than the calendar year
- Removes Transitional provisions for Local Government Reform
- Removes the schedules that deal with New local governments, Adjusted Local Governments and Continuing local governments as well as the Composition of transition and transferring area local transition committees

## **4.0 Queensland Coalition's response to Commonwealth Electoral Amendment (Democratic Plebiscites) Bill 2007**

### ***The Bill is necessary***

It is a sad day when a Bill that overrides an Australian State because the State has not guaranteed the freedom of speech for a group of people. Unfortunately though, this Bill is necessary because of the actions of the Queensland State Government in moving from a system of Council reform that had Bi-partisan support through to a process was divisive and dictatorial in creating legislation that forced councils to amalgamate and allowed the Minister the right to sack a Council for holding a referendum to gauge community attitudes.

It is important to note that the elements of the Bill that allow a Minister to sack a Council are still in force and will not be reversed until the Local Government Amendment Bill 2007 is carried by the Queensland Parliament, or the Commonwealth legislation is put in place to override this measure.

### ***The Bill Guarantees freedom of speech***

The Bill guarantees freedom of speech by allowing the community to have their say on how they are governed. In the same way that if a State were abolished or merged, the merger or major alteration of boundaries of a local government should require a referendum in order to be changed.

Article 19 of the International Covenant on Civil and Political Rights states that:

- 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.*
- 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.*

Article 25(a) states that:

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

*To take part in the conduct of public affairs, directly or through freely chosen representatives;*

The recent Queensland State Government actions prove how it is important that all Australians are vigilant in their defence of freedom of speech. The Legislation proposed by the Commonwealth Government guarantees that State Government's must adhere to right of individuals to freedom of speech and that there should be no unreasonable restrictions on citizens to take part in the conduct of public affairs, directly or through freely chosen representatives.

The Queensland Coalition commend this aspect of the Bill.

***The Bill provides resources to guarantee freedom of speech***

The Commonwealth Bill not only guarantees freedom of speech but provides resources to communities to exercise that freedom of speech. The Commonwealth Bill should be commended for giving local communities access to the resources the Australian Electoral Commission to provide for plebiscites on the issue of forced amalgamations.

The provision of resources is an important part of this Bill because it gives local communities equality of opportunity to access these resources to provide a referendum when amalgamations of local governments are forced.

The Queensland Coalition commend this aspect of the Bill.

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## APPENDIX 1 – QUEENSLAND TREASURY CORP RATINGS

	December 2006 QTC Rating	January 2007 QTC Rating
Very Strong	A local government with a very high capacity to meet its financial commitments in the short, medium and long term. It is highly likely to be able to manage major unforeseen financial shocks and any adverse changes in its business and in general economic conditions without revenue or expense adjustments. Its capacity to manage core business risks is very strong.	
Strong	A local government with a high capacity to meet its financial commitments in the short, medium and long term. It is likely to be able to manage major unforeseen financial shocks and any adverse changes in its business and in general economic conditions with only minor revenue or expense adjustments. Its capacity to manage core business risks is strong.	<ul style="list-style-type: none"> <li>• Fiscal flexibility and qualitative assessment rated “Good”.</li> <li>• Generally 4 ratings of “Good”</li> </ul>
Moderate	A local government with a high capacity to meet its financial commitments in the short, medium and long term and an acceptable capacity in the long-term. It is expected to be able to manage unforeseen financial shocks and any adverse changes in its business and in general economic conditions with only minor revenue or expense adjustments. Its capacity to manage core business risks is acceptable.	<ul style="list-style-type: none"> <li>• A wide range, from a combination of “Good” and average ratings to mostly “Average” ratings</li> <li>• Can include some “Poor” ratings but in areas that usually can be addressed (e.g. poor liquidity can be addressed by optimising funding mix)</li> </ul>
Weak	A local government with a limited capacity to meet its financial commitments in the short, medium and long term and a limited capacity in the long-term. It is unlikely to be able to manage major unforeseen financial shocks and any adverse changes in its business and in general economic conditions without the need for significant revenue and expense adjustments. Its may experience difficulty in managing core business risks.	<ul style="list-style-type: none"> <li>• Generally “Average” ratings with some underlying issues that are more difficult to address.</li> </ul>
Very Weak	A local government with a limited capacity to meet its financial commitments in the short, medium and long term and a very limited capacity in the long-term. It is highly unlikely to be able to manage major unforeseen financial shocks and any adverse changes in its business and in general economic conditions without the need for some structural reform and major revenue and expense adjustments. Managing core business risks may test its capacity.	<ul style="list-style-type: none"> <li>• * Underlying issues that are difficult to address and with unclear forecast assumptions</li> </ul>
Distressed	A local government with a very limited capacity to meet its financial commitments in the short, term and no capacity to meet its medium and long financial commitments. To be able to manage major unforeseen financial shocks and any adverse changes in its business and in general economic conditions, major revenue and expense adjustments and structural reform will be required to meet its medium and long term obligations. Its will have difficulty managing core business risks.	<ul style="list-style-type: none"> <li>• * Underlying issues that are difficult to address and with unclear forecast assumptions</li> </ul>

\* Very Weak and Distressed have been combined in January 2007

## APPENDIX 2 - Recommendations by Local Government Reform Commission

1. Community Boards
  - a. Community Boards are not instituted as a formal component of Queensland's Local Government structure
  - b. Councils be permitted to establish community boards or committees when they consider such a mechanism will assist in engagement with constituents on relevant matters
  - c. The composition of such boards should be a matter for councils, and members of boards or committees should be appointed by the council, or a Councillor (depending on the purpose) and should be chaired by a councillor. Community boards should not be popularly elected. ( The council corporately, and the councillors individually, are ultimately accountable to the whole community for the decisions they take, and therefore should have the prerogative of determining the channels by which they receive advice.)
  - d. Representatives on any community board established by a council or an individual councillor should not be remunerated by virtue of their being a member of a community board. Reimbursement of actual costs incurred as a matter for the council.
2. Names for Local Governments – Where two or more councils have been amalgamated and these councils share concerns regarding adopted by the Commission, that the State Government accept a unanimous submission from the councils which form the new entity for a different name. Any such submission must be with the State Government for consideration prior to the passage of any enabling legislation that gives effect to the recommendations of the Commission.
3. Class of local Governments - The Local Government Regulation 2005 S7 be amended to provide a local government area to be a region, following an amalgamation of two or more councils of any class. The exception to this classification would be where the resulting amalgamated area meets the criteria for classification as a city or town.
4. Electoral arrangements – The composition of councils can be calculated using Table 6.3 as a guide with discretion exercised where councils have very large and difficult areas to administer.
5. Not accepted – Electoral Arrangements -Decisions as to whether councillors serve in either a full or part-time capacity should remain with the relevant council.
6. Not accepted – Electoral Arrangements – for the 2008 quadrennial elections, all councils subject to this review, apart from the Torres Strait Island Regional Council and the Northern Peninsula Area Regional Council, should conduct their election on an undivided basis.
7. Electoral Arrangements – All councils should conduct a review prior to 1 March 2011 to consider the relevance of internal divisions to their new make-up. If a council wishes to establish internal boundaries, a referral to a Local Government Electoral and Boundaries Review Commission should be sought from the Minister for Local Government under the existing provisions of the Act.
8. Electoral Arrangements – Methods of voting for councils should remain unchanged subject to the review of the Act.
9. Electoral arrangements – arrangements for attendance or postal voting for councils should be unchanged subject to the review of the Act.
10. Electoral arrangements - All mayoral elections for the 2008 quadrennial elections should be at large with any future consideration to be subject to the review of the Act.
11. Indigenous Communities - The existing Island councils currently operating under the Community Services (Torres Strait) Act 1984 (excluding Bamaga and Seisia) be abolished and a new regional local government be established and the new local government be called Torres Strait Island Regional Council (TSIRC)
12. Indigenous Communities -Electoral arrangements (including the need for community boards or similar structures) for the TSIRC local government should be developed in conjunction with the specific legislation for the regional council as outlined in the policy document *Local Government in the Torres Strait – The Way Forward*.
13. Indigenous Communities -The Councils of Bamaga, Injinoo, New Mapoon, Umagico and Seisia be abolished and a regional local government be formed and the new local government be called Northern Peninsula Area Regional Council (NPA Regional Council)
14. Indigenous Communities -Electoral Arrangements and other implementation issues for the Northern Peninsula Area Regional Council be determined by State Government using the same process and in the same timeframe proposed for the Torres Strait Island Regional Council
15. Indigenous Communities -The Minister for Local Government, Planning and Sport refer further work on proposed boundary changes involving the NPA Regional Council with Cook and Torres Shires to the Electoral Commission of Queensland as a reviewable local government matter
16. Indigenous Communities -The State Government direct a review on the implications of land tenure arrangements for Aboriginal and Torres Strait Island Councils within the context of any potential future structural reform involving DOGIT and non-DOGIT communities. Following the completion of the land tenure review consideration should be given to the applicability of the models proposed for the TSIRC and NPA Regional Council for other Aboriginal local governments (in particular western Cape York)

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17. Indigenous Communities –The state government initiatives directed at improving the expertise and capacity of both newly formed and existing Aboriginal and Torres Strait Island Councils. In particular, priority should be given to the development of arrangements that address the issues and recommendations outlined in Auditor-General reports.
18. Indigenous Communities – Composition of Aboriginal local governments should be altered in line with the recommendations made for local governments in Queensland in Part 6 of the report, based on transitioning provisions in the *Local Government (Community Government Areas) Act 2004* which are due to cease in 2008.
19. Financial sustainability – Financial Sustainability Reviews should be undertaken by Queensland Treasury Corporation and be available to the local government, relevant government agencies and publicly. The reviews should be undertaken on a frequency basis which has regard to the assessed rating of the local government, namely;
  - a. Financially distressed, very weak, and weak local governments should be reviewed annually;
  - b. Moderate local governments every two years; and
  - c. Strong and very strong local governments every three years.
20. Implementation – Following the March 2008 local government election, consideration should be given by the relevant local governments or the Minister to refer the boundary change issues listed in the detailed analysis for each local government area in Volume 2, to the Electoral Commission of Queensland as reviewable local government matters.
21. Implementation – The State Government should:
  - a. Manage the transition to, and early implementation of, the new arrangements;
  - b. Give priority to assistance to councils that have existing or capacity or financial sustainability issues as highlighted in Volume 2;
  - c. Foster targeted training and joint initiatives with higher education institutions for the purposes of developing skills relevant to the local government sector;
  - d. Build capacity within the Department of Local Government, Planning, Sport and Recreation and other relevant agencies to provide direct assistance in areas of need for local governments; and
  - e. Investigate strategies to build on existing initiatives to address skill shortages and build capacity of local government in Queensland.
22. Implementation – State and local government undertake the action recommended in Table 9.1 regarding the operations of Joint Local Governments following implementation of any relevant local government amalgamations and identify any other joint arrangements whose membership and/or ongoing functions may need review
23. Implementation - There should be no unincorporated areas in Queensland. This should be achieved through:
  - a. Incorporation of the areas of Sweers Island and the Bountiful Islands into the Local Government area of Mornington Island; and
  - b. State Government progressing negotiations with Rio Tinto regarding the “normalization” of Weipa Town.
24. Implementation - With respect to the distribution of Financial Assistance Grants:
  - a. Following the March 2008 local government elections the QLGGC should undertake a review of the funding methodology to examine the long-term impact of the new local government structure; and
  - b. Any such review should be completed before the current four year guarantee for amalgamated councils ends.
25. Not accepted – Suspended Reviewable matters – Suspended limited reviewable local government matters for Cook/ Hopevale and Cook/ Wujal Wujal be re-submitted by the Councils to the ECQ following the 15 March 2008 quadrennial elections.

## **APPENDIX 3 – De-amalgamation Plan**

### **The Queensland Coalition’s Plan to Protect Communities from Forced Local Government Amalgamations**

The Queensland Labor Government’s decision to slash the number of councils from 156 to 72 will devastate small communities throughout the State. It will destroy local jobs, local businesses and local services. The most obscene aspect of the Labor Government’s amalgamation process has been its dictatorial decision to deny people the right to have a say about the future direction of their communities.

**A Queensland Coalition Government guarantees that communities affected by forced amalgamations will be given the opportunity to consider whether to de-amalgamate through the following 4 point plan.**

1. Communities within local government areas that have either already established, or establish prior to the March 2008 local government elections, through representative petitions or polls, that their communities object to the forced amalgamation of their council, will automatically be given the opportunity to de-amalgamate under a Queensland Coalition Government.

An example of this is Noosa Shire which has demonstrated through submissions to the Local Government Reform Commission and petitions, that the community is overwhelmingly opposed to forced amalgamation.

2. Following the March 2008 local government elections, people within newly amalgamated local government areas that can demonstrate that amalgamation is not suitable for their communities, will be given the opportunity to consider de-amalgamation under a Queensland Coalition Government.

This will need to be demonstrated through a poll run across the new local government boundaries and can be triggered by a resolution of the newly amalgamated local government or a petition of 20% of residents. Financial assistance will be available in special circumstances to assist communities in undertaking these polls.

If the poll demonstrates support for de-amalgamation, the Minister for Local Government will refer the matter to the Local Government Commissioner who will review the boundaries in consultation with the community and make recommendations to the Minister.

3. The 17 Torres Strait Island Councils will be automatically reinstated as individual local governments with a single Joint Local Government Central Financial Management and Accountability system. This will enable to the Councils to have the autonomy of decision making and retain a single central financial control arrangement.
4. A Queensland Coalition Government will seek to have local government formally recognised in the Australian Constitution to prevent future State Governments from dictating these types of sweeping and devastating actions on local communities.

The Queensland Coalition will ensure that communities of interest will be protected and will never again be devastated and destroyed by dictatorial decisions made by out of touch state governments.

## **APPENDIX 4 – Communities No Disadvantage Test**

### **The Queensland Coalition’s Plan to Protect Communities from Forced Local Government Amalgamations**

#### **Communities’ No Disadvantage Test**

The Queensland Coalition has announced its Four Point Plan to give communities the chance to de-amalgamate. However, should communities be forced into amalgamations against their will, the people, workers and businesses within those communities, should not be disadvantaged and should be no worse off.

Experience in other jurisdictions has shown that large forced local government amalgamations rarely deliver the benefits promised to the average rate payer. This has been proven in other states and areas in Queensland where amalgamations occurred in the 1990s.

The Morton Report on local government amalgamations commissioned by the Queensland Government clearly pointed out the negative impacts of forced amalgamations:

- rate rises;
- fewer staff delivering services;
- loss of corporate knowledge and expertise;
- staff and job insecurity and confusion about staff roles and responsibilities; and
- an us and them mentality between pre-amalgamated shires.

To ensure communities are not worse off, the Queensland Coalition is calling for a “No Disadvantage Test” to be applied to every community affected by forced local government amalgamations. Residents need to be assured:

- Rates will not rise.
- Council services will not be withdrawn, including those usually not offered such as health clinics, aged and child care, support for community and sporting clubs and rural fire brigades.
- There will be no job losses for Council staff delivering services.
- Percentage of Council staff delivering outdoor services does not decrease.
- The distance needed to travel to access Council services does not increase.
- Small businesses and services such as banks, post offices, hospitals and schools do not have to close down or relocate due to Council administrations moving to other centres.
- The same level and type of developments allowed under old town plans are maintained in new town plans to ensure local identities of communities are preserved.

An independent audit to benchmark the above elements of the Communities’ No Disadvantage Test needs to occur prior to the March 2008 local government elections. This will allow the Communities’ No Disadvantage test to be applied during the forced amalgamation process.

The Queensland Coalition will continue to fight the forced amalgamations of local government through every means possible.

The Queensland Coalition will also fight to ensure that if communities are forced to undergo local government amalgamations, they will be no worse off.