

# FRIENDS OF NOOSA

Mr G Poole,  
Auditor General of Queensland,  
GPO Box 1139,  
Brisbane QLD 4001

March 2, 2008

Dear Mr Poole,

## **RE: FORCED LOCAL COUNCIL AMALGAMATIONS IN QUEENSLAND.**

The Friends of Noosa is a community group consisting of some 2,000 members which formed to protect Noosa Shire from the outcomes arising from the proposed forced local council amalgamations.

My group has been and remains particularly concerned about the motivation for the forced local council amalgamations. They were openly opposed by the then Leader of the Federal Opposition, Kevin Rudd, and the Federal Branch of the Australian Labor Party. Indeed, the lack of community consultation during this process is in breach of published ALP policy. The forced amalgamations were also opposed by 77% of the electors allowed to vote in plebiscites conducted by the Australian Electoral Commission in 85 of the 152 shires impacted by forced amalgamation. You will be aware that only five council areas including Brisbane are unaffected by forced amalgamation. These plebiscites registered a NO TO AMALGAMATION vote in 81 of these 85 shires. But still they proceed!

My understanding is that the empowerment of the Queensland Auditor General and the Queensland Audit Office derives from the Financial Administration and Audit Act 1977. This Act requires the Treasurer to prepare a charter which states the broad social and fiscal objectives of the Government and establishes a framework for assessing the Government's performance in achieving its objectives. Further, the principles on which the charter must be based include transparency and accountability in developing, implementing and reporting on the Government's social and fiscal objectives. There must also be efficient and effective allocation and use of resources in achieving the objectives. There must also be equity relating to the raising of revenue, delivery of government-funded services and allocation of resources and between past and future generations. Finally, there must be prudent management of risk. The sole and independent arbiter of the Government's performance in this regard is the Auditor General.

Accordingly, on behalf of Friends of Noosa, I formally invite you to conduct an audit of the forced local council amalgamations particularly in regard to the fiscal prudence of the amalgamations, the efficient and effective allocation and use of resources in achieving the publicly stated objectives. These latter are to be found on the Government's Stronger Councils website and which promise the following:

"... Benefits to residents and ratepayers

For all communities large and small, local government reform will deliver:

- A stronger voice for local communities at the State, national and international level
- Better resources to plan and deliver essential local infrastructure
- Better resources to implement long-term local planning, with an emphasis on managing growth while protecting Queensland unique environment
- Stronger local government workforces, focussed on servicing communities
- less duplication, less red tape, less politicians and better use of your rates
- a focus on services, not administration
- better road and infrastructure planning.

*Stronger councils for a growing Queensland ..."*

The Local Government Reform Commission, whose Report informed the forced local council amalgamation 'reform', asserts rather than provides evidence that significant economic benefit will flow from forced amalgamation. The LGRC did not undertake any benefit cost analysis or financial analysis to justify its assertions but rather relied to a significant extent (while expressing caution: LRGRC Report Vol. 1 p.39) on the work of Crows Nest and Rosalie Shires and Goondiwindi and Waggamba Shires (LRGC Report Vol. 1 p.39) from the pre-emptively curtailed *Size, Shape and Sustainability* review and the experience of Cairns, Ipswich, Mackay, Warwick and Cooloola from amalgamations during the 1990's (LRGC Report Vol. 1 p.38). A wealth of contemporary evidence from the outcomes of amalgamations in New South Wales, South Australia and Victoria has been studiously ignored. While acknowledging that "...there are costs inherent in amalgamations..." (LRGC Report Vol. 1 p.38), amazingly the Commission did "...not attempt to quantify these costs..." (LRGC Report Vol. 1 p.38). Perhaps an even more startling conclusion is "...In the end, the costs incurred by, and the benefits which accrue to amalgamated councils will largely be dependent upon decisions the new local governments make during the implementation phase..." (LRGC Report Vol. 1 p.39). It would seem that a prime alleged reason for forced amalgamation will be, in the final analysis, a matter of chance. Is this 'wish and a prayer' 'reform?'

Accordingly, my group believes that it is incumbent on you as the financial watchdog for the State to review this important issue of public policy as a matter of urgency and report to the broad community about it. We all know that resources in the public arena are in short supply at the State and Local levels. To undertake a 'reform' of the scale of the forced local council amalgamations in Queensland without evidence of significant public benefit is a dereliction of duty and a breach of trust and you are urged to review it forthwith.

Yours sincerely,

Jim Berardo, President,  
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