



Queensland
Government

Our ref: MC11/4460
Your ref: 1744-11

23 DEC 2011

Mr Neil Laurie
Clerk of Parliament
Parliament House
Brisbane QLD 400

Office of the
Attorney-General
Minister for Local Government
and Special Minister of State

Dear Mr Laurie

Re: E-Petition 1744-11: Moreton Bay Regional Council de-amalgamation – removal of Redcliffe Peninsula area

Thank you for your notice of the abovementioned E-Petition of 29 November 2011.

The State Government remains fully committed to the amalgamation process of 2008 and supporting the Moreton Bay Regional Council in realising the benefits of amalgamation for the residents in its Council area. The drivers for reform in Queensland are still the medium to long-term financial sustainability of Local Governments and the need for greater collaboration in infrastructure and regional planning.

While I am aware of public concern regarding rate increases in some areas, it must be stressed that the rate increases that are occurring are not a direct result of amalgamation, and would have occurred regardless of whether a Council was amalgamated.

The average rate rise for the 56 Councils that have adopted and published 2011–12 budgets to date is 7.05 per cent.

Of these 56, the average rate rise for the 29 amalgamated Councils was 6.32 per cent. This is influenced by the Isaac Regional Council rise of 20.9 per cent. When Isaac Regional Council is excluded, the average rate rise for amalgamated Councils in 2011–12 is 5.80 per cent. The average for the remaining 27 non-amalgamated Councils was 7.83 per cent. The figure for Moreton Bay Regional Council was 5.69 per cent.

This is clear evidence that, on average, the amalgamated Council's continue to provide better outcomes for ratepayers. Prior to amalgamation, many Council's were not financially sustainable and were not adequately planning for their future.

Prior to amalgamation, the former Caboolture Shire, Pine Rivers Shire and Redcliffe City Councils generated a combined total operating revenue of \$328 million and had combined cash holdings of \$228 million in 2006–07.

In 2009-10, the amalgamated Moreton Bay Regional Council generated total operating revenues of \$426 million and had cash holdings of \$270 million.

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The Moreton Bay Regional Council 2011–12 Budget totals \$371 million in operating revenues, a rate rise of 5.79 per cent and predicted cash holdings of \$195 million.

It is also important to note that Mayor Alan Sutherland announced as part of Moreton Bay Regional Council's 2010–11 Budget that Council made \$100 million in savings as a result of amalgamation, which equates to a \$600 saving for each ratepayer. Due to the financial strength of Moreton Bay Regional Council, it was able to incorporate in its 2010–11 Budget, a special two-year subsidy for ratepayers to assist with the transition to the new water services arrangements. I am advised that no other Council provides such subsidies.

The Moreton Bay Regional Council has commissioned a report into de-amalgamation. The report, titled the 'Analysis of Redcliffe De-Amalgamation Ratepayer Impacts', was compiled by David Spearritt from Orion Consulting. The report states that 18 per cent of Moreton Bay Regional Council revenue is sourced from the Redcliffe city area. The report also states that the initial cost of de-amalgamation was estimated to be \$2.7 million to \$7.9 million upfront, as well as significant ongoing costs. To fund the one-off costs, ongoing costs and project costs outlined, the rate increase for Redcliffe would be 37 per cent to 56 per cent.

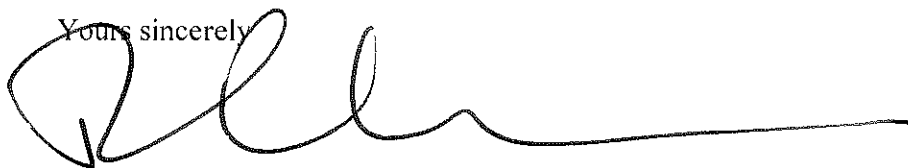
Bigger and stronger Councils are able to plan regionally, better engage with the State and Commonwealth Governments and companies seeking to invest in Queensland and represent their ratepayers with greater ability than smaller Councils.

Bigger Councils have reacted better to the 2010–11 natural disasters in extreme circumstances. Numerous Councils have acknowledged this since these devastating events.

Given the above, I have no intention to consider the de-amalgamation of the Moreton Bay Regional Council.

If you require any further information, please contact Mr Joshua O'Keefe, Policy Advisor, on 3224 4600 who will be pleased to assist.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paul Lucas', with a long horizontal flourish extending to the right.

PAUL LUCAS MP
Attorney-General,
Minister for Local Government
and Special Minister of State