



Hon Paul Lucas MP

Our ref: MC11/4459

Your ref: 1831-11

23 DEC 2011

Mr Neil Laurie
Clerk of Parliament
Parliament House
Brisbane QLD 4000



**Queensland
Government**

**Attorney-General
Minister for Local Government and
Special Minister of State**

Dear Mr Laurie

Re: E-Petition 1831-11: Capricorn Coast and rural areas of the former Livingstone Shire to de-amalgamate from the Rockhampton Regional Council

Thank you for your letter of 1 December 2011.

The State Government remains fully committed to the amalgamation process of 2008 and supporting the Rockhampton Regional Council (RCC) 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 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 occur regardless of whether a Council is amalgamated or non-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 is 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 RCC was 3.7 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.

In 2008, Queensland Treasury Corporation rated Fitzroy Shire Council as Weak, Livingstone Shire Council as Moderate, Mount Morgan Shire Council as Very Weak and Rockhampton City Council as Moderate.

Level 12 Executive Building
100 George Street Brisbane 4000
PO Box 15009 City East
Queensland 4002 Australia
Telephone +61 7 3224 4600
Facsimile +61 7 3224 4781
Email attorneygeneral@ministerial.qld.gov.au
ABN 65 959 415 158

In its 2011-12 Budget, the RCC adopted a 3.7 per cent rate increase.

RCC forecasted capital expenditure of \$94 million in 2011-12 and \$87 million in 2012-13, which dwarfs the combined \$28 million capital expenditure of the former Fitzroy Shire, Livingstone Shire, Mount Morgan Shire and RCC in 2006-07, clearly demonstrating the financial strength of the amalgamated Council.

RCC has announced that one of the major benefits of amalgamations was that it forced the organisation to look at every process and service and question why and how things are done. I am further advised that RCC has predicted that over the next five years residents will receive better services and at a better cost arrangement.

I am advised that in the Rockhampton and Fitzroy News on 18 May 2011, Rockhampton Mayor Brad Carter stated that "through amalgamation, the former Livingstone Shire Council area has benefited from the better utilisation of the Council's skilled workforce, greater cost efficiencies, lower administration costs, delivery of capital works projects, an increase in the delivery of major projects and one united voice providing greater bargaining power to secure funding for the region."

In the Morning Bulletin on 21 Mar 2011, RCC CEO Evan Pardon stated that he believed amalgamation had been extremely positive and that the greatest benefits of it were still to come, saying: "I think it's been great for the region. We have a clear direction. We speak with one voice and can see the big picture. I'd say that in the next two years the community will see the rewards in more tangible form."

Bigger and stronger Councils are able to plan regionally, better engage with the State and Commonwealth Governments 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 Rockhampton 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