



Queensland burning: local government
amalgamation & democratic
practice in Queensland

Scott Prasser

University of the Sunshine Coast

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Democratic Audit of Australia
Australian National University
Canberra, ACT 0200
Australia
<http://democratic.audit.anu.edu.au>

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Enforced State government amalgamation of local governments is not new in either Australia¹ or Queensland.² However, the Queensland Beattie Labor Government's decision in August to cut the number of local authorities from 156 to 72 and to sack 724 elected councillors deserves our attention in terms of its processes, rationale, and what it tells us about the status of local government in Australia and democratic practice at a State level. Even by Queensland's executive government top-down decision-making standards³ the Beattie Labor Government's enforced amalgamation of local governments announced at the beginning of August has been breathtaking in its speed of execution, breadth of impact, and lack of consultation.

Further, the Beattie Government's threat to sack any council holding a referendum on the issue has given the issue wider significance especially as it has provoked unprecedented federal government intervention. Prime Minister Howard announced he would change the *Commonwealth Electoral Act* to override the Beattie Labor Government's 'dictatorial' and 'undemocratic' actions and allow the Australian Electoral Commission to conduct polls for those local government areas that wanted to hold these.⁴ No previous national government has sought to intervene so directly in local government or State responsibilities or on these grounds of democratic practice. That this action was supported by federal Labor who were also openly critical of the Beattie Government's processes in this matter⁵ suggests that the Howard Government's actions were not totally partisan. The issue is not whether some of the recent amalgamations in Queensland were necessary, as some were. Rather, the debate has increasingly focussed on how it was

¹ See Neil Marshall, 1998, 'Reforming Local Government: Efficiency, Consolidation and the Question of Governance,' *International Review of Administrative Sciences*, 64 (4), 643-62; Rosemary Kiss, 1999, 'Local Government to Local Administration: The New Order,' in Brian Costar and Nicholas Economou,(eds), *The Kennett Revolution: Victorian Politics in the 1990s*, UNSW Press, Sydney, 110-121; Ivan Zwart, 2000, 'Local Government in Tasmania: Reform and Restructuring,' *Australian Journal of Public Administration*, 59 (3) 34-58

² There were extensive amalgamations of local governments in Brisbane during the 1920s resulting in the creation of the greater Brisbane City Council in 1925 and further amalgamations during the 1990s (see below).

³ John Wanna, 1993, 'Managing the Party, Factions, Parliament and Parliamentary Committees,' in Bronwyn Stevens and John Wanna,(eds), *The Goss Government*, Macmillan, Melbourne, 51-73

⁴ The Commonwealth used their general Constitutional powers to expend funds to enable those local governments wanting to hold polls to use the services of the Australian Electoral Commission. These polls would be voluntary and postal.

⁵ Bob McMullan, MP, *Landline*, ABC Transcript, 2 September 2007

done as it is in relation to processes that democratic standards can be best assessed. Indeed, the issue highlights the meaning of community consultation, just where does local government fit in our system of government, the nature of state governments in relation to democratic practice and whether ‘national’ standards need to be imposed on miscreant state governments as in the United States during the 1950s and 1960s in relation to civil liberties.

Background to local government amalgamations

During the past three decades the number of local governments in Australia has fallen from just over 900 to approximately 600.⁶ In recent years there has been renewed interest in amalgamations with numerous Federal,⁷ State⁸ and local government⁹ sponsored inquiries into local government financial sustainability. This issue has been driven by two different influences. On the one hand drought and the decline of many rural areas have caused many local authorities to struggle with a declining rate and population base.¹⁰ In other cases rapid population growth and development in ‘sea-change’ regions and the stresses this has caused local governments¹¹ has spurred amalgamation.

Where local government fits into Australia’s rapidly changing and increasingly nationally dominated federal system, also figures in these discussions, though Australia has yet to pursue this issue as comprehensively other countries.¹²

⁶ Ken Wiltshire, 2007, “The End of Local Government?” *Brisbane Institute*, Brisline

⁷ Commonwealth Grants Commission, 2001, *Review of the Operation of Local Government (Financial Assistance) Act 1995*, Australian Government, Canberra; House of Representatives Standing Committee on Economics, Finance and Public Administration, 2004, *Rates and Taxes: A Fair Share for responsible Local Government*, Australian Government, Canberra

⁸ In South Australia there was the Sustainability Review Board report (2005), *Rising to the Challenge*; In NSW there was the 2005 Allan Report, *Inquiry into the Financial Sustainability of NSW Local Government*.

⁹ In Western Australia the Local Government Association released in 2006, *Systemic Sustainability Study: In Your Hands-Shaping the Future of Local Government in Western Australia*; The Tasmanian Local Government Association produced in 2007, *A Review of the Financial Sustainability of Local Government in Tasmania*, while in Queensland the Local Government Association in conjunction with the State Government started in 2005 *Size, Shape and Sustainability* program.

¹⁰ Chris Cocklin and Jacqui Dibden, 2005, *Sustainability and Change in Rural Australia*, UNSW Press

¹¹ Nicole Gurrán, Caroline Squires and Edward Blakely, 2005, *Meeting the Sea Change Challenge: Sea Change Communities in Coastal Australia*, University of Sydney, Department of Architecture

¹² See the United Kingdom, Lyons Inquiry into Local Government, 2007, *Place-Shaping: A Shared Ambition for the Future of Local Government*, HMSO, London

In relation to Queensland local government, amalgamation has largely been off the agenda since the 1990s when there were a spate of amalgamations and other local government reforms introduced by the Goss Labor Government in response to the reform process unleashed by the Fitzgerald Commission of Inquiry.¹³ Proposals by the Electoral Administrative Review Commission (EARC) for amalgamations across 16 local governments¹⁴ met considerable opposition and caused the Goss Government to establish a Local Government Commission, as recommended by EARC, to investigate and consult on these proposals. By 1994 it resulted in four amalgamations with others following. Despite the consultative process these amalgamations were seen as contributing to its poor 1995 election results and fall from office in 1996. The National Party lead Coalition government abolished the Local Government Commission and amended the Local Government Act so that amalgamations could only occur if the matter was referred to the Local Government Electoral and Boundaries Review Commission by the Local Government Minister who would act only if convinced that there was considerable community and clear local government support. Further, any proposals for amalgamation had to go to a local referendum (though Parliament could still reject the referendum result).

The pragmatic and cautious Beattie Government elected in 1998 continued with this policy. Even as the Beattie Government gained record majorities in subsequent elections, collaboration and co-operation with local government was the order of the day as shown by the regular renewal of a memorandum of understanding between the Queensland Government and the Local Government Association of Queensland (LGAQ) and State government support for the LGAQ's *Size, Shape and Sustainability* (SSS) review into the viability of local government and voluntary amalgamation.¹⁵

¹³ Mark Neylan, 1992, 'Reform of Local Government,' in Andrew Hede, Scott Prasser, and Mark Neylan, (eds), *Keeping Them Honest: Democratic Reform in Queensland*, University of Queensland Press, St Lucia, 228-239

¹⁴ EARC, 1991, *Report*, Local Authorities External Boundaries Review, Queensland Government Printer, Brisbane

¹⁵ Local Government Association of Queensland, 2005, *Conference Communiqué*, 31 May on the Size, Shape and Sustainability of Local Government in Queensland.

The Beattie Government's 2007 local government initiatives

It is against this background that Premier Beattie's sudden and unexpected announcement of the external review of local government boundaries in April this year needs to be appreciated.¹⁶ Overnight this ended the SSS review process. It immediately placed local government amalgamation on the agenda and ended the previous consultation process.

Because the Beattie Government did not mention its intentions during the 2006 State election and supported the SSS review until a couple of days before announcing the external review, many in local government believe that they had been duped by the Beattie Government by a process of deliberate subterfuge and a false sense of participation. The Beattie Government's decision promoted a great sense of betrayal among local governments. As Councillor Paul Bell, State President of the LGAQ lamented:

Why kill the Size, Shape, and Sustainability? Why not confide in local government if the State was unhappy with progress ... Why the deceitful charade over the first three months of the year (ie 2007). The LGAQ was deceived, so were mayors and council CEOs, even the Independent Review Facilitators (of the SSS process) right up to the very last day.¹⁷

Furthermore, the seven-person external review was seen by many in local government as being neither as expert nor as independent as the government contended and that the review's outcome was largely predetermined. This perception was reinforced by the rushed process and limited consultation. From the start to when the new legislation was passed in a one-night sitting, the whole process took less than four months. As one local government constituent complained:

...the so called Independent Local Government Review Commission...were given just three months to consider more than 36,000 submissions from 156 councils. The outcome was preordained as the Commission was under instructions to redefine boundaries, but not given time to conduct a rigorous 'cost benefit' analysis or a cultural impact study based on amalgamation experience in other parts of Australia.¹⁸

¹⁶ Peter Beattie MP, *Press Release*, 'Local government to undergo historic reform,' 17 April

¹⁷ Paul Bell, 2007, 'Forced Amalgamations: How did it happen?' *Council Leader*, 33 (3) June-July, 4

¹⁸ Bob Ansett, 2007, 'Scorned shire will not surrender,' *Courier-Mail*, 7 September

This rushed process in parliament again highlighted Queensland's notorious lack of legislative scrutiny of executive government actions.¹⁹ Nevertheless, the consultative processes of local government amalgamations under the Beattie Government were in contrast to the more extensive consultative processes of previous Labor and Coalition administrations. Also recent processes seemed contrary to accepted norms of consultative processes for good policy development.²⁰ Indeed, the Beattie Government's promise on coming to office to 'listen' to the electorate through a complex ritual of community cabinets, forums, and regional parliament, has been replaced in relation to local government amalgamation, by a more autocratic approach to policy development. It seems that the Beattie Government has even ignored the advice of its own *Policy Handbook* that stressed, 'consultation is an integral part of the policy process and should be a normal part of government's operations ... (and) needs to occur throughout policy development.'²¹

Further undermining the democratic process was the Beattie Government's threat to take action against any council seeking to hold a referendum on the issue. Initially, the government amended the legislation to fine such local governments, but later the Beattie Government decided such councils would be dismissed, and amended the legislation again. As the Local Government Minister warned:

Staging a referendum will be an explicit trigger for immediate dismissal of individual councils. If a council has already started a poll they must take all necessary steps to ensure that the poll does not go ahead ... If a council declines to desist and goes ahead with plans for referendums, they will be dismissed without notice. Administrators will be appointed to any councils that are dismissed.²²

No Queensland government has treated its local government or its citizens so crudely. However, with federal government amending the *Commonwealth Electoral Act* to allow the Australian Electoral Commission to conduct the local government referendums, the Beattie Government relented and subsequently altered the legislation yet again to remove

¹⁹ Janet Ransley, 1992, 'Reform of Parliamentary Process, in Andrew Hede et al (eds), *Keeping Them Honest*, 149-164

²⁰ Helen Catt and Michael Murphy, 2003, 'What Voice for the People? Categorising Methods of Public Consultation, *Australian Journal of Political Science*, 38 (3), November 407-421

²¹ *The Queensland Government Policy Handbook*, 2000, Queensland Government Printer, Brisbane, Section 5.0

²² Andrew Fraser MP, *Press Release*, 'Queensland set to debate historic legislation,' 9 August 2007

its ability to sack such councils. Now the Beattie Government has stated it will ignore the result of any referendums!

Motivations

Why the Beattie Government has embarked on amalgamation at this critical time in the federal electoral cycle is difficult to assess. Certainly, the Beattie Government's prime justification for amalgamation has been that the creation of larger councils will be more efficient,²³ but such alleged efficiencies have long been hard to prove in relation to local government amalgamation.²⁴ Critics of the amalgamations argue that there were serious flaws in the Beattie Government's evidence in this area.²⁵ Other suggestions by the Premier that resistance to 'reform' was because local councillors would lose their income was crass,²⁶ ignoring the fact many councillors receive only nominal pay and do considerable community work at great personal expense.

Nor is amalgamation needed, as the Queensland Government contended, because local government boundaries have not changed for a hundred years. This is a fiction as there have been many alterations over the years including some major ones, as noted made by the Goss Labor Government a decade ago.

Others have suggested that community of interests have been undermined in some of the new larger amalgamated councils in rural areas.²⁷ Recent amalgamations may also be about payback given the way local government forced the Beattie Government to back down on some major policy initiatives in the past²⁸ and in other cases, how local government has upstaged State Labor members.

²³ Peter Beattie MP, Press Release, 'New Queensland Councils well placed to meet demands of population boom,' 22 August; report of the Local Government Reform Commission, 2007, Queensland Government Printer, Brisbane.

²⁴ Joel Byrnes and Brian Dollery, 2002, 'Do Economies of Scale Exist in Australian Local Government? A Review of the Research Evidence,' *Urban Policy and Research*, 20 (4), 391-414

²⁵ Greg Hallam, 2007, 'Opportunity lost, failed policies followed,' *Council Leader*, 33 (3), June-July, 5;

²⁶ Peter Beattie, *Landline*, ABC TV Transcript, 2 September 2007

²⁷ Ken Wiltshire, 2007, "The End of Local Government?" *Brisbane Institute*, Brisline, 1 September

²⁸ See Scott Prasser, 2006, 'Aligning 'good policy' with 'good politics' in H.K. Colebatch (ed), *Beyond the Policy Cycle: The Policy Process in Australia*, Allen and Unwin, Sydney, 266-292 concerning the ambulance levy issue in Queensland and the role of the LGAQ in having the Beattie Government change its policy on this issue.

The recent amalgamations are about the exercise of power and by a state government anxious to gain control over land, water, housing, and environment issues now so politically important in Queensland's burgeoning urbanised south-east corner and coastal regions. This, and the creation of larger and fewer local governments provides a possible means for the state government to manage more effectively these now urgent issues.

Conclusions

The Beattie Government's amalgamations of local government, like those in other states, highlights the vulnerability of local government in our system of government. Unless amalgamation can be better resolved in the future by a more collaborative and democratic process then local government can never aspire to becoming the third tier in our federal system. Its place in Australian government remains tenuous. The fundamental issue is not whether some amalgamations were necessary. Justifications for amalgamations can always be found, but so too can alternative strategies. Rather, the real issue in our system of democracy is whether one level of government should be able to sack another government that is democratically elected. It is this issue that lies at the heart of community reaction against enforced amalgamations and until it is resolved then local government's very survival is questionable. Certainly, local government around Australia should take heed and alarm at the recent Queensland experience.

But there are even wider ramifications of these events. We understand that trust in government is declining and there is growing cynicism in government actions and consequently disengagement by some community members in the political processes. This will continue while governments eschew democratic processes as occurred in Queensland. At the very time when the Queensland Government was threatening to sack local governments holding referendums on amalgamations, it was advertising for members of advisory bodies on youth, seniors and domestic violence to provide opportunities for an 'exchange of information and views between members and the Queensland Government.'²⁹ Given recent events who would now believe in these processes or would bother to join such advisory bodies? The real damage to democracy

²⁹ Advertisement, *Courier-Mail*, 18 August 2007

by the Beattie Government's enforced amalgamation of local governments and the processes it employed is the loss of belief by citizens that their views count.

As postscript to this whole issue was Beattie's resignation as premier on 10th September. Although Beattie has previously hinted at retiring, it may not be coincidental that his resignation has been made before the calling of the federal election. Beattie's actions in relation to local government were proving to be potentially damaging to Kevin Rudd's federal election plans, both in terms of its direct impact on particular communities and several key federal Queensland regional seats and the embarrassing way it was done. Although the new premier, Anna Bligh, has endorsed the local government amalgamation, the Local Government Minister, Andrew Fraser has now been moved to Treasury. The former Minister for Communities, Warren Pitt, a person from north Queensland with well known interpersonal skills, has now taken over the local government portfolio and will oversee the implementation of amalgamation.