

**Local Government Amalgamation in
Queensland:
A Case Study of the Moreton Bay Regional
Council**

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ABSTRACT

Local government in Australia has been the subject of significant reform since the early 1990s. New local government legislation has been introduced, the types of services provided by councils have changed, and local government financial sustainability has been the subject of debate at both state and national levels. Whilst these changes have been significant, it has been structural reform of local government that has transformed the political landscape at the local level through involuntary amalgamations.

This thesis reviews the various policy approaches to local government reform in Australia, with a particular focus on forced amalgamation as a method of structural reform. State and territory governments appear to be inextricably drawn to the idea that 'bigger is better' in local government. This thesis considers the merits of this proposition from theoretical and empirical viewpoints, and critically evaluates the Queensland experience of involuntary amalgamation in 2008.

The Queensland structural reform process did not begin as an exercise in involuntary amalgamations. It began with the *Size, Shape and Sustainability (SSS)* initiative in 2005, whereby councils worked in partnership with the Queensland Government to proactively address issues associated with local government sustainability. However, in April 2007 the Queensland Government announced the cessation of the SSS initiative and the formation of the Local Government Reform Commission (LGRC). The resulting involuntary amalgamations reduced the number of councils in Queensland from 152 to 73. This thesis examines this policy reversal by the Queensland Government and postulates that the SSS initiative was abandoned because it was not going to deliver on the Queensland Government's real agenda: achieving a more regional approach to local government.

The thesis also examines some of the major impacts of these amalgamations through a case study of the Moreton Bay Regional Council (MBRC), discussing some of the complex financial, operational and political effects of involuntary amalgamations. Notwithstanding these problems and associated costs, this thesis demonstrates that councils have been able to create opportunities from this amalgamation process to improve local government efficiency and effectiveness in service delivery to local (and regional) communities.

CERTIFICATION

I certify that the substance of thesis has not already been submitted for any degree and is not currently being submitted for any other degree qualification.

I certify that any help received in preparing this thesis and all sources used have been acknowledged in this thesis.



Darren Dallinger

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ABBREVIATIONS USED IN THESIS

ABS	Australian Bureau of Statistics
ACELG	Australian Centre of Excellence for Local Government
ACLG	Australian Council of Local Government
ALGA	Australian Local Government Association
AM	Asset Management
A-MAP	Asset Management Advancement Program
ANAO	Australian National Audit Office
CAMS	Corporate Asset Management System
CGC	Commonwealth Grants Commission
COAG	Council of Australian Governments
CPI	Consumer Price Index
DAE	Deloitte Access Economics
DITRDLG	Department of Infrastructure, Transport, Regional Development and Local Government
DLG	Department of Local Government
DLGP	Queensland Government Department of Local Government and Planning
DLGPSR	Department of Local Government, Planning, Sport and Recreation
DOTARS	Department of Transport and Regional Services
EARC	Electoral and Administrative Review Commission
ECM	Engineering, Construction and Maintenance Division
FAGs	Financial Assistance Grants
FSRB	Financial Sustainability Review Board
GPPs	General Purpose Payments
GST	Goods and Services Tax
ICRS	Integrated Corporate Reporting Structure
IIMM	International Infrastructure Management Manual
IPEWA	Institute of Public Works Engineering Australia
IRFs	Independent Review Facilitators
LCIRF	Local Community Infrastructure Renewals Fund
LGAB	Local Government Advisory Board
LGAQ	Local Government Association of Queensland
LGASA	Local Government Association of South Australia
LGAT	Local Government Association of Tasmania

LGBRB	Local Government Boundary Reform Board
LGGCs	Local Government Grant Commissions
LGI	Independent Inquiry into the Financial Sustainability of NSW Local Government ('Allan Report')
LGMA	Local Government Managers Association
LGPMC	Local Government and Planning Ministers' Council
LGRC	Local Government Reform Commission
LGRF	Local Government Reform Fund
LGSA	Local Government and Shires Association of NSW
MAGLGR	Ministerial Advisory Group on Local Government Reform
MBRC	Moreton Bay Regional Council
MGR	Minimum General Rate
MLGRP	Metropolitan Local Government Review Panel
NAMS	New Zealand National Asset Management Steering Group
NOTREC	Not Recognised
PwC	PriceWaterhouseCoopers
R2R	Roads to Recovery
RAPAD	Remote Area Planning and Development Board
ROCs	Regional Organisations of Councils
SCRC	Sunshine Coast Regional Council
SEQ	South East Queensland
SPPs	Specific Purpose Payments
SRAC	Structural Reform Advisory Committee
SSS	Size, Shape and Sustainability
SSS Panel	Systemic Sustainability Study Panel
STCA	Southern Tasmanian Councils Authority
ToRs	Terms of Reference
UCV	Unimproved Capital Value
VLGBR	Victorian Local Government Board of Review
WALGA	Western Australian Local Government Association
WDV	Written Down Value