

ESTIMATES
Transport, Housing and Local Government Committee

Question on Notice

No. 1

QUESTION:

Page 3 Last Dot Point

Can the Minister detail to the Committee the estimated costs of the 2007 forced amalgamations of Councils; the costs for which the Councils were reimbursed; if there were any commitments by the previous government to meet those costs; and the estimated impacts on rate payers of any costs that were not met by the previous state government?

ANSWER:

Following the March 2008 local government elections, the state government announced it would consider funding submissions from councils affected by amalgamations. 25 councils prepared a submission for funding of amalgamation costs, with original council submissions claiming a total net cost of amalgamation of \$184.71 million.

The State deemed the costs of amalgamation to be \$47.21 million (25.6 percent of original council claims).

From a personal perspective, Townsville City Council lodged a submission claiming a cost of approximately \$3.98M, upon a further request, Council lodged an amended claim for \$2.98M yet the Council was still provided NIL funding to cover amalgamation costs.

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Question on Notice

No. 2

QUESTION:

Page 1 Dot Point 5

With reference to the Governments de amalgamation process and the rejection of some applications. If two or more Council areas who lodged applications for de amalgamation, and combined met all the general criteria for de amalgamation, would the Government now consider allowing the Boundaries Commissioner to investigate?

ANSWER:

The de-amalgamation process was designed to return Council's to the 2008 pre amalgamation boundaries. I am aware that my decision not to refer proposals such as the one received from Pittsworth/Millmerran/Clifton, to the Queensland Boundaries Commissioner, for detailed analysis was not well received by some people in these communities.

I have no intention of inflicting the same degree of pain on communities by the arbitrary redrawing of Council boundaries as happened with the forced 2008 amalgamations.

However the process followed to date has not been a waste of time, it has been a valuable exercise in democracy. I am committed to assisting, where I am able, the de-amalgamation proponents and the relevant councils to find local solutions to issues that have been raised in the de-amalgamation proposals.

To this end, I met with representatives of all the unsuccessful proponents and the relevant councils between 26 September 2012 and 12 October 2012. These meetings were productive and focussed on solutions. I will continue to actively assist where I am able to resolve these matters.

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Question on Notice

No. 3

QUESTION:

Page 4 Dot Point 1

Can the Minister provide to the Committee details on the revenue for all Queensland Councils over the last 5 years in terms of Commonwealth, State and self-generated revenue?

ANSWER:

There are a number of different revenue sources Queensland Councils may have at their disposal: rates and utility charges, fees and charges, recoverable works, in addition to State and Commonwealth grants and subsidies.

Meaningful comparisons can not be made prior to 2008/09 due to the amalgamation process - 157 councils were reduced to 73 and some involved complex structural changes - and as such, meaningful comparisons cannot be made.

Due to the December 2010/January 2011 flood events all councils were activated under the natural disaster relief and recovery arrangements which meant they had sustained damage to their assets. The timing of the receipt of these payments will alter the percentage of grants versus own source revenue.

In the 2010/11 financial year, there were 23 Queensland Councils with over 80% of their total operating revenue being comprised of own-source revenue; that is: rates, utility charges, fees and charges, recoverable works, interest and other revenue. Seven of these councils had an own-source revenue proportion of over 90%.

The financial sustainability of Queensland's Indigenous Councils is severely impacted by a lack of success in raising their own money. The Government will work to assist these councils in becoming more self sufficient.

Loan borrowings are not regarded as revenue.

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Question on Notice

No. 4

QUESTION:

Page 5 Dot Point 2

Can the Minister detail to the Committee what plans does the Government have to assist the increasing cost of developing, maintaining and replacing infrastructure for Local Government across Queensland?

ANSWER:

This Government acknowledges the role of local governments in delivering and maintaining infrastructure that best serves Queensland communities.

In 2012-13, \$63.385 million in State funds is committed to supporting councils to deliver essential infrastructure projects and implement flood commission recommendations.

This funding is being delivered under the Local Government Grants and Subsidies Program (LGGSP), administered by the Department of Local Government.

I am pleased to advise that \$36.922 million of this funding is assisting 37 councils across the State to deliver 51 projects for their communities.

A further \$500 000 is approved to undertaking flood investigations of 100 Queensland communities, to assist both local and the State Governments with future planning and emergency response.

I have also recently announced the opening of applications for \$25.9 million of this LGGSP funding for councils – with \$12.561 million available under the Infrastructure Subsidy and \$13.4 million under the Floods Response subsidy.

The Infrastructure Subsidy will assist councils with delivering infrastructure that best serves their community. Projects could include water and sewerage infrastructure, tourism facilities, or business development and community facilities.

The \$13.4 million funding available this year under the Floods Response Subsidy is the first year of a three year commitment of \$40 million to support councils in implementing the recommendations of the Queensland Floods Commission of Inquiry.

Applications for 2012-13 funding under the Infrastructure Subsidy (\$12.561 million) and the Floods Response Subsidy (\$13.4 million) closed on 12 October 2012.

I will be announcing successful projects before the end of the year, to enable councils to commence the projects.

For many councils access to this State funding can mean the difference between going ahead with a priority project or postponing it for another year.

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Question on Notice

No. 5

QUESTION:

Page 5 Dot Point 2

Can the Minister provide the Committee with an approximate comparison between the 2011-12 Local Government Grants and Subsidies Program budgeted spend as opposed to the actual spend?

ANSWER:

In 2011-12, a total of \$45 million was budgeted for the Local Government Grants and Subsidies Program (LGGSP).

I am advised that, to date a total of \$44.999 million of this 2011-12 LGGSP budget has been approved to supporting 69 council projects and one Queensland Government flood study project of level 2 floods investigations of 100 towns across the State.

Due to the delayed announcement of the approval of these projects by the former State Government, not surprisingly, only \$8.4M was paid to councils in the 2011-12 financial year.

I am pleased that the Newman Government has rolled over all the funding allocations, which means that total funding budgeted to pay to Local Governments this financial year is \$63.385 million.

The remaining \$1.066 million of this funding has been approved in 2012-13, to 10 council projects and the Queensland Government flood investigation project.

Under the LGGSP councils have two years from approval to complete projects. Accordingly, the 2011-12 LGGSP budgeted funds will be paid to councils in 2012-13 and 2013-14 as work on the approved projects progresses to completion.

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Question on Notice

No. 6

QUESTION:

Page 17 Finance Borrowing Costs

Can the Minister advise the Committee of the amount of borrowings required this year, simply to honour commitments made by the previous State Government?

ANSWER:

The department does not have any borrowings, and therefore finance/borrowing costs (on page 17 of the SDS) are nil.

However, as far as local governments are concerned, if the Newman Government had not carried over the previous local government grants and subsidies funding, it would have been a very real possibility that small local governments, those least able to afford it, would have been required to borrow money for important local infrastructure.

This is why we are moving quickly to announce successful projects in this year's Local Government Grants and Subsidies Program before Christmas 2012 to allow local governments to deliver for their communities.

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Question on Notice

No. 7

QUESTION:

Can the Minister provide the Committee with a comparison of the debt servicing related costs of Local Government under the below scenarios, AAA credit rating, AA+ credit rating, AA credit rating?

ANSWER:

I thank the Honourable Member for Warrego for his question.

In February 2009, Queensland's Credit rating was downgraded from AAA to AA+.

To be able to provide a comprehensive response to your question, advice has been obtained by the Department of Local Government from the Queensland Treasury Corporation (QTC) in relation to their estimation of increased borrowing costs to individual local governments attributable to the downgrade of the credit rating of the State of Queensland. The attached table of estimated increased borrowing costs reported separately by council was calculated by QTC on the basis of incorporating the following factors:

- Loan valuation as at 30 June 2012
- Interest calculations for the remaining terms of all local government loans existing at 30 June 2012
- Interest calculations not including any projected borrowings
- Increased interest costs shown in present value terms (today's dollars), and
- Fixed rate loans current at the time of the downgrade not affected by increased interest costs.

In relation to AA+ credit rating being reduced to AA credit rating, QTC advises it is unable to provide these estimates due to the uncertainty of future interest rates.

NOTE: Initial estimates of the likely increase in borrowing costs due to the credit rating downgrade were in the order of 50 basis points (0.5%). However, the actual costs change from time to time and are currently less than 0.5%. It is therefore appropriate to consider the effect on costs in terms of a range of possible outcomes and a range of between 0.3% and 0.5% has been used for the purposes of this estimation

Spread	0.30%	0.50%
Council	Interest Cost	Interest Cost
Balonne RC	86,676	144,461
Banana SC	276,638	461,064
Barcaldine RC	20,046	33,409
Barcoo SC	1,382	2,303
Brisbane City Council	25,402,358	42,337,263
Blackall Tambo RC	30,349	50,582
Bulloo SC	1,830	3,049
Bundaberg RC	1,043,810	1,739,684
Burdekin SC	71,728	119,547
Cairns RC	1,571,224	2,618,706
Carpentaria SC	113,191	188,652
Cassowary Coast RC	474,311	790,518
Central Highland RC	675,703	1,126,172
Charters Towers RC	-	-
Cherbourg ASC	-	-
Cloncurry SC	351,932	586,554
Cook SC	58,075	96,792
Diamantina SC	13,708	22,847
Etheridge SC	16,992	28,320
Fraser Coast RC	848,679	1,414,465
Gladstone RC	3,173,022	5,288,370
Gold Coast CC	9,642,396	16,070,659
Goondiwindi RC	38,341	63,901
Gympie RC	634,160	1,056,933
Hopevale ASC	-	-
Ipswich CC	2,933,366	4,888,944
Isaac RC	307,225	512,042
Lockyer Valley RC	614,189	1,023,648
Logan CC	2,328,812	3,881,353
Longreach RC	158,333	263,888
Mackay RC	4,816,201	8,027,002
Maranoa RC	235,535	392,558
McKinlay SC	9,507	15,846
Moreton Bay RC	7,935,686	13,226,144
Mt Isa CC	549,659	916,098
Murweh SC	58,969	98,282
North Burnett RC	39,211	65,351
Paroo SC	41,170	68,617
Redland CC	1,021,908	1,703,180
Richmond SC	6,692	11,153
Rockhampton RC	3,853,850	6,423,084

Scenic Rim RC	160,424	267,374
South Burnett RC	122,060	203,433
Southern Downs RC	555,451	925,752
Sunshine Coast RC	4,209,081	7,015,135
Tablelands RC	194,031	323,385
Torres SC	24,692	41,154
Torres Strait Islands RC	4,419	7,365
Townsville CC	7,333,269	12,222,115
Toowoomba RC	3,302,839	5,504,731
Western Downs SC	693,884	1,156,473
Whitsunday RC	1,625,772	2,709,620
Winton SC	50,607	84,345
TOTAL	87,733,394	146,222,324
Net Difference:	\$58,488,930	

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Question on Notice

No. 8

QUESTION:

Page 3 Dot Point 9

Can the Minister provide the Committee with an analysis of potential cost savings to Councils arising from the Local Government and Other Legislation Amendment Bill 2012?

ANSWER:

The amendments under the Local Government and Other Legislation Amendment Bill 2012 (the Bill) aims to empower councils and give them a high level of autonomy, authority and responsibility to plan and solve local problems. The Bill will allow councils to get on with delivering the things that matter to ratepayers.

Many of the amendments will result in a significant reduction in the administrative burden on Councils. A number of the amendments are difficult to specifically quantify in dollar terms on an individual basis, but collectively will result in overall savings to all councils.

There are, however, a number of specific amendments which individually will result in significant savings that can be quantified with some degree of certainty.

Potential savings to councils include the repeal of the long-term community plan requirements. The cost of a community plan can vary significantly from council to council. Recently, the Gold Coast Bulletin reported that the Gold Coast City Council community plan cost the Council approximately \$1.1 million to develop.

Logan City Council advised the Department of Local Government that they have budgeted approximately \$250 000 to develop their new community plan and Sunshine Coast Regional Council has advised the Department that their community plan cost \$100 000.

Additionally, savings will be also be recognised when the councils are due to renew their community plans and also by the removal of the need to review and publish these plans annually.

The removal of the legislative requirement for councillors to automatically vacate office when nominating for state parliament will result in the removal of the need to conduct costly by-elections where that councillor is not successful in being elected to state parliament. The cost of conducting a by-election is a significant burden for councils. As a real life example, a by-election for a councillor in Brisbane City Council cost over \$150,000 in 2010.

Based on the costs of the 2012 Local Government Elections, figures obtained from the Electoral Commission of Queensland indicates that the cost of conducting an election averages \$4.50 per elector. Based on this figure a by-election in an undivided council such as Toowoomba Regional Council could potentially cost over \$459 000 or in Gladstone Regional Council over \$161 000.

Body Corporate status was removed from Queensland Councils (except Brisbane City Council) through a legislative amendment in 2008 to protect Council employees potentially affected by the Commonwealth Government's 'Work Choices' legislation. An unintended consequence of this amendment is that Local Governments no longer qualify for corporate reconstruction relief from stamp duty under the *Duties Act 2001*. The restoration of body corporate status to local governments, amongst other things, will ensure that local governments will again qualify for the stamp duty relief. As an example, the stamp duty amounted to \$164 175 for one single transaction involving Ipswich City Council.

In addition to the amendments in the Bill, the current local government regulations are extremely detailed and prescriptive and work is underway for complementary changes to be made to the regulations to remove unnecessary red tape and prescription. This will further ease the burden on local governments and assist in generating further savings.

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Question on Notice

No. 9

QUESTION:

Page 11 Note 1

Can the Minister advise the Committee of the effect on Council budgets caused by the delayed state election?

ANSWER:

Under section 100 of the *Local Government (Finance, Plans and Reporting) Regulation 2010*, a local government must adopt its budget for a financial year before 1 September in the financial year.

As a result of the deferral of the local government elections by the former government from 31 March to 28 April 2012, the previous state government announced on 25 January 2012 that the deadline for the adoption of budgets by local governments would be extended by an additional 28 days, from 1 September to 29 September 2012.

The delay in councils adopting budgets did result in a delay in issuing annual rate notices and a subsequent negative effect on council's cash flows. This could also require councils to activate bank account overdrafts.

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Question on Notice

No. 10

QUESTION:

Page 4 Dot Point 1

Will the Minister advise the Committee on the financial outlook of each individual Council?

ANSWER:

The Financial Management (Sustainability) process evaluates whether a council has a clear and coherent long-term financial management strategy in place, which is defined as the ability to maintain financial and infrastructure capital over the long-term.

The Annual Return on Financial Management (Sustainability) 2012 was issued to all 73 local governments in January 2012 and was due for return to the department by March 2012. The responses from local governments are subject to a review, but are not subject to audit.

59 of the 73 local governments (comprising 51 of 57 non-Indigenous local governments and 8 of 16 Indigenous local governments) submitted data to the Department for evaluation. The results of the evaluations for each individual council are set out in the attached table.

The ranges of possible evaluations in 2012 were:

- clear and coherent financial management strategy in place;
- sound financial management strategy in place; and
- facing financial management challenges.

Of the 59 respondent councils in 2012:

- 14 have a clear and coherent financial management strategy in place;
- 21 have a sound financial management strategy in place; and
- 24 are facing financial management challenges.

The Department provided each council, including those that did not provide a return, with an individual response in July 2012.

Council	2012 Return	2012 Evaluation
Aurukun Shire Council	Yes	Facing financial management challenges.
Balonne Shire Council	Yes	Sound long-term financial management strategy in place.
Banana Shire Council	Yes	Sound long-term financial management strategy in place.
Barcaldine Regional Council	Yes	Facing financial management challenges.
Barcoo Shire Council	Yes	Clear and coherent long-term financial management strategy in place.
Blackall-Tambo Regional Council	Yes	Sound long-term financial management strategy in place.
Boulia Shire Council	No	No evaluation done.
Brisbane City Council	Yes	Clear and coherent long-term financial management strategy in place.
Bulloo Shire Council	No	No evaluation done.
Bundaberg Regional Council	Yes	Clear and coherent long-term financial management strategy in place.
Burdekin Shire Council	Yes	Sound long-term financial management strategy in place.
Burke Shire Council	Yes	Facing financial management challenges.
Cairns Regional Council	Yes	Facing financial management challenges.
Carpentaria Shire Council	Yes	Sound long-term financial management strategy in place.
Cassowary Coast Regional Council	Yes	Clear and coherent long-term financial management strategy in place.
Central Highlands Regional Council	Yes	Facing financial management challenges.
Charters Towers Regional Council	Yes	Sound long-term financial management strategy in place.
Cherbourg Aboriginal Shire Council	No	No evaluation done.
Cloncurry Shire Council	Yes	Sound long-term financial management strategy in place.
Cook Shire Council	Yes	Facing financial management challenges.
Croydon Shire Council	Yes	Facing financial management challenges.
Diamantina Shire Council	Yes	Sound long-term financial management strategy in place.
Doomadgee Aboriginal Shire Council	Yes	Facing financial management challenges.
Etheridge Shire Council	Yes	Clear and coherent long-term financial management strategy in place.
Flinders Shire Council	Yes	Clear and coherent long-term financial management strategy in place.
Fraser Coast Regional Council	Yes	Sound long-term financial management strategy in place.
Gladstone Regional Council	Yes	Clear and coherent long-term financial management strategy in place.
Gold Coast City Council	Yes	Sound long-term financial management strategy in place.
Goondiwindi Regional Council	Yes	Sound long-term financial management strategy in place.
Gympie Regional Council	Yes	Clear and coherent long-term financial management strategy in place.
Hinchinbrook Shire Council	Yes	Facing financial management challenges.
Hope Vale Aboriginal Shire Council	No	No evaluation done.
Ipswich City Council	Yes	Clear and coherent long-term financial management strategy in place.
Isaac Regional Council	Yes	Facing financial management challenges.
Kowanyama Aboriginal Shire Council	Yes	Facing financial management challenges.
Lockhart River Aboriginal Shire Council	No	No evaluation done.
Lockyer Valley Regional Council	Yes	Sound long-term financial management strategy in place.
Logan City Council	Yes	Sound long-term financial management strategy in place.
Longreach Regional Council	Yes	Sound long-term financial management strategy in place.
Mackay Regional Council	Yes	Clear and coherent long-term financial management strategy in place.
Mapoon Aboriginal Shire Council	No	No evaluation done.
Maranoa Regional Council	Yes	Sound long-term financial management strategy in place.
McKinlay Shire Council	Yes	Facing financial management challenges.
Moreton Bay Regional Council	Yes	Sound long-term financial management strategy in place.
Mornington Shire Council	Yes	Facing financial management challenges.

Council	2012 Return	2012 Evaluation
Mount Isa City Council	No	No evaluation done.
Murweh Shire Council	Yes	Clear and coherent long-term financial management strategy in place.
Napranum Aboriginal Shire Council	No	No evaluation done.
North Burnett Regional Council	Yes	Sound long-term financial management strategy in place.
Northern Peninsula Area Regional Council	Yes	Facing financial management challenges.
Palm Island Aboriginal Shire Council	No	No evaluation done.
Paroo Shire Council	Yes	Facing financial management challenges.
Pormpuraaw Aboriginal Shire Council	No	No evaluation done.
Quilpie Shire Council	Yes	Sound long-term financial management strategy in place.
Redland City Council	Yes	Sound long-term financial management strategy in place.
Richmond Shire Council	No	No evaluation done.
Rockhampton Regional Council	Yes	Clear and coherent long-term financial management strategy in place.
Scenic Rim Regional Council	Yes	Clear and coherent long-term financial management strategy in place.
Somerset Regional Council	Yes	Facing financial management challenges.
South Burnett Regional Council	Yes	Facing financial management challenges.
Southern Downs Regional Council	Yes	Facing financial management challenges.
Sunshine Coast Regional Council	Yes	Sound long-term financial management strategy in place.
Tablelands Regional Council	Yes	Facing financial management challenges.
Toowoomba Regional Council	Yes	Facing financial management challenges.
Torres Shire Council	No	No evaluation done.
Torres Strait Island Regional Council	Yes	Facing financial management challenges.
Townsville City Council	Yes	Sound long-term financial management strategy in place.
Western Downs Regional Council	Yes	Facing financial management challenges.
Whitsunday Regional Council	No	No evaluation done.
Winton Shire Council	Yes	Clear and coherent long-term financial management strategy in place.
Woorabinda Aboriginal Shire Council	Yes	Facing financial management challenges.
Wujal Wujal Aboriginal Shire Council	No	No evaluation done.
Yarrabah Aboriginal Shire Council	Yes	Facing financial management challenges.
Number of respondents	59	

Explanation of the evaluation terms:

Clear and coherent financial management strategies in place

Throughout the forecast period, the strategy indicates that a council plans to:

- consistently generate operating surpluses and have an appropriate net financial liability outcome; and
- invest in maintaining/renewing its infrastructure at an appropriate level.

Sound financial management strategies in place

Over the forecast period, the strategy indicates that a council plans to remain financially viable while planning to maintain/renew its infrastructure at a reasonable level.

Facing financial management challenges

Over the forecast period, the strategy indicates that a council plans to:

- remain financially viable but does not plan to invest in maintaining/renewing its infrastructure at reasonable levels;
or
- is facing financial viability challenges, but does plan to maintain/renew its infrastructure at a reasonable level.

ESTIMATES
Transport, Housing and Local Government Committee

Question on Notice

No. 11

QUESTION:

Page 4 of the SDS and the Minister's answer to Question on Notice 356 regarding the appointment of Col Meng as the Boundaries Commissioner.

Will the Minister please advise the costs incurred to date associated with the establishment of this position, including remuneration, administrative costs, travel, staff or any other costs reported separately and what are the budgeted costs in these areas for 2012-2013?

ANSWER:

As previously advised, the appointment of Mr Col Meng as the Queensland Boundaries Commissioner was announced on 29 June 2012. Mr Meng was the previous Mayor of Mackay Regional Council and is considered by the Government and the local government community to be well qualified to examine local government de-amalgamation proposals.

A budget of \$900 000, obtained from within the Department of Local Government's existing budget, has been allocated to the project for the 2012/2013 financial year. The budget is to cover the costs of Mr Meng's services, secretariat (2.6 FTEs) to assist the commissioner, travel costs, administration costs and QTC's costs to undertake the financial analysis work.

A full list of costs, including Mr Meng's salary costs and other requested information, will be made available upon completion of the project.

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Transport, Housing and Local Government Committee

Question on Notice

No. 12

QUESTION:

Page 4 of the SDS.

Will the Minister please advise and list what detailed criteria the Minister used to assess applications for de-amalgamation to determine which applications would be referred to the Boundaries Commissioner for further consideration?

ANSWER:

In order to undertake the assessment process de-amalgamation proposals were required to be evidenced based and address the following criteria:

- acknowledge that de-amalgamation costs will be the responsibility of the de-amalgamating council, not the remaining council, should the de-amalgamation occur.
- show support by way of a signed petition of at least 20 per cent of the voting population of the proposed de-amalgamating council area.
- demonstrate how de-amalgamation either maintains or improves service delivery to the community being de-amalgamated.
- demonstrate how the regional economy and economic development will not be adversely affected by the de-amalgamation.
- demonstrate that the proposed de-amalgamated local government will be financially sustainable based on a standard delivery model for local government.
- demonstrate the delivery of services through a standard delivery model and
- demonstrate, where an outsourced model is proposed, the benefits of this model and associated risks, as opposed to a standard delivery model.

I undertook a high level assessment to assess the extent to which proposals have addressed the prescribed criteria.

In some cases, additional considerations were made, including:

- whether the total estimated de-amalgamation costs appear reasonable, and whether proponents had demonstrated some rigour in arriving at their estimates
- confirming the validity of the signatures provided on the petition through cross-referencing a sample against electoral rolls
- an assessment of the quality of the financial information provided,
- and the thoroughness and robustness of their analysis
- consideration of the pre-amalgamation Financial Sustainability Review rating and outlook assigned by Queensland Treasury Corporation where these were available particularly with respect to the capacity of some of the smaller councils to be financially viable.

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Question on Notice

No. 13

QUESTION:

Page 4 of the SDS.

Regarding the deamalgamation process, has the Minister made any funding allocation in the budget to fulfil the LNP's election promise that "*when establishing any new Local Governments boundary, [the LNP will] ensure that there are appropriate transitional and financial arrangements in place to support the change?*"

ANSWER:

As correctly pointed out, the LNP policy document called *CanDo Action: Empowering Queensland Local Government* states, "when establishing any new local government boundary, ensure that there are appropriate transitional and financial arrangements in place to support the change".

In order to implement this commitment, a budget of \$900 000, obtained from within the Department of Local Government's existing budget, has been allocated to the de-amalgamation project for the 2012/2013 financial year. A full list of costs will be made available upon completion of the project.

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Transport, Housing and Local Government Committee

Question on Notice

No. 14

QUESTION:

Regarding Schedule 2 in the Appropriation Bill 2012, outlining the 2012–13 funding allocation for the Department of Local Government.

Will the Minister list every work unit, branch and/or division that has been abolished within the Department of Local Government, and the number of staff positions contained within each abolished work area, as part of the process of developing the 2012–13 State Budget?

ANSWER:

The 2012-2013 vote of \$223.526M for departmental services, represents a reduction of \$212.419M from 2011-2012, previously \$435.945M.

The majority of this reduction is due to the machinery of Government changes with activities delivered by the former Department of Local Government and Planning being included in the 2011-2012 results for ten months. The 2012-2013 vote also takes into account savings initiatives, and new funding for initiatives listed in Budget Paper No.4 – Budget Measures.

The Department has undertaken an assessment of existing functions and activities, aligning them to the priorities of the new government. This assessment has involved reviewing the budget and opportunities for gaining structural efficiencies of the Department.

During my tour of regional Queensland, I received considerable feedback about the inability of regional officers to deliver high level advice to councils. As a result the Department converted five regions into two, serviced through eight offices. For the first time, regional directors now report directly to the Deputy Director-General to ensure regional service delivery is fully integrated into the Department's operations. The Department's client relationship management model provides local governments with dedicated points of contact to ensure service delivery is responsive.

Restructuring of the Brisbane operations has resulted in three branches, down from the previous six. Complementary functions have been combined to deliver economies of scale and enhanced service delivery.

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Question on Notice

No. 15

QUESTION:

Regarding Budget Paper 4 page 54.

Will the Minister please provide a list of the grants and subsidies programs which will undergo a funding reduction and quantify the reduction for each program for each financial year over the forward estimates?

ANSWER:

As announced in the 2012-13 State Budget, this Government will achieve savings of \$59.633 million over the next four years from grants and subsidies programs managed by the Department of Local Government.

These savings will be achieved through reductions to the annual Local Government Grants and Subsidies Program (LGGSP) and the State Government Financial Aid Program (SGFA), to be spread across the four years.

The resulting savings and the LGGSP and SGFA budget allocations available to councils are:

Period	Total Savings \$M	LGGSP \$M	SGFA \$M
2012-13	\$11.617	\$11.617	nil
2013-14	\$15.701	\$14.016	\$1.685
2014-15	\$15.978	\$13.450	\$2.528
2015-16	\$16.337	\$12.967	\$3.370
Total	\$59.633	\$52.050	\$7.583

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Question on Notice

No. 16

QUESTION:

Table 5.4 on page 88 of Budget Paper 2, which shows a decrease in current grants funding by the Queensland Government in 2012-13.

Will the Minister list all grant funding allocations that have been cut by the Department of Local Government for non-government and community organisations and projects in the 2012-13 State Budget, listed in the same format as used by the Health Minister in response to Question on Notice 445?

ANSWER:

No grant funding allocations have been cut by the Department of Local Government for non-government and community organisations and projects in the 2012-13 State Budget.

The Department of Local Government primarily funds local governments. The Show Societies Grant Program provides funding to 128 show societies, two councils and the Queensland Chamber of Agricultural Societies Inc.

This funding under this program will continue as I have recently approved the allocation of the 2012-13 show societies grants to the 131 recipients around the State, 129 of which are local show societies and associations.

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Question on Notice

No. 17

QUESTION:

Regarding Budget Paper 4 page 53.

Will the Minister please detail the savings in grants programs and projects, listed by program and project separately?

ANSWER:

As detailed in the 2012-13 State Budget, the Department of Local Government achieved savings of \$8.9 million from finalised grant programs and projects.

A total of \$8.604 million in savings was achieved through finalised grant programs and projects.

Program savings may occur when:

- a council completes an approved project below the original estimated cost, leaving unclaimed funds; or
- funds have been lapsed from an incomplete project; or
- unallocated funds remain in a program budget.

I am advised that the \$8.604 million in savings was mainly achieved through projects being delivered under budget.

A breakdown of these savings by funding program and project is provided in the attached list.

Local Government 2011-12 Savings identified from grants programs and projects Controlled	2011-12 Budget \$'000
Water and Sewerage Program (WASP) projects	
Eli South Wastewater Treatment Plant – <i>Project completed under budget.</i>	2 431
Gympie Sewage Treatment Plant Upgrade – <i>Project completed under budget.</i>	2 787
Bribie Island Recycled Water Scheme – <i>Unclaimed funds lapsed</i>	
Dreamtime Avenue Farm Recycled Water Scheme – <i>Project completed under budget.</i>	474
Pulgul Farm Effluent Recycling Scheme – <i>Project completed under budget.</i>	
Dalby Water Supply Redevelopment – <i>Project completed under budget.</i>	103
Cloncurry Water Efficiencies Program – <i>Funds not required</i>	
Total WASP savings	5 795
Smaller Communities Assistance Program (SCAP)	
Planning Report Eungella Water and Sewerage Scheme - <i>Unclaimed funds lapsed</i>	22
Elevated Storage Tank Torres – <i>Reimbursement of overpaid funds</i>	270
Water Supply Cooling Study Balonne – <i>Project delivered under budget.</i>	12
Investigations into Emu Swamp Dam – <i>Project delivered under budget.</i>	0.2
Kilkivan Water Supply – <i>Project delivered under budget.</i>	135
Planning Report Water Supply Eidsvold - <i>Unclaimed funds lapsed</i>	48
Planning Reports for Water & Sewerage Infrastructure Torres – <i>Project delivered under budget.</i>	0.16
Nebo Sewerage Scheme Stage 2 - <i>Reimbursement of overpaid funds</i>	185
Sarina Water Supply Pipeline – <i>Repayment of advance</i>	308
Total SCAP savings	981
State Government Financial Aid – <i>Repayment of advance payments made to council</i>	628
Moranbah Town Water Supply Agreement – <i>Program funds not required</i>	500
Greening Mt Isa - <i>Program funds not required</i>	338
Environmental Infrastructure Program (EIP)	
Birdsville race track toilet facilities – <i>Project delivered under budget</i>	23
Surfers Paradise foreshore redevelopment – <i>Project delivered under budget</i>	115
Planning report – Moody Creek Drainage system – <i>Project delivered under budget</i>	29
Solar Water Heating Southern Downs – <i>Project delivered under budget</i>	3
WEST Bundaberg Stormwater Drainage – <i>Project delivered under budget</i>	21
Total EIP savings	191
Q150 Legacy Infrastructure Program – <i>Savings achieved through projects completed under budget</i>	134
Subsidies Local Gov Bodies – Other pre 2006 – <i>Savings achieved through projects completed under budget</i>	22
Show Grounds Grants Program – <i>Greenbank Show Society ceased operations</i>	9
Animal Management Program – <i>Program savings</i>	6
TOTAL LOCAL GOVERNMENT GRANT & SUBSIDY PROGRAMS	8 604

ESTIMATES
Transport, Housing and Local Government Committee

Question on Notice

No. 18

QUESTION:

Page 84 of Budget Paper 2 of the 2012–13 Budget.

Will the Minister advise how many positions (broken down by permanent, temporary, casual and contract) have been abolished since 26 March 2012 in the Department of Local Government listed by job title, salary level and location and/or departmental region?

ANSWER:

Page 84 of Budget Paper 2 of the 2012–13 Budget forecasts 15 voluntary redundancies within the Department of Local Government in 2012-2013.

The department's voluntary redundancy program came into effect with the first group ceasing on 21 September 2012 and a final group ceasing in October 2012. None of the affected positions have been abolished as yet. A total of 16 people have accepted a voluntary redundancy, no employees chose the employee placement option. As a result of the voluntary redundancies the following 16 permanent positions will be abolished.

Table 1 – Positions to be abolished following voluntary redundancies

Position Title	Salary level	Location
Funding Officer	A04	Southern
Project Officer	A04	Brisbane
Project Officer	A04	Brisbane
Regional Support Officer	A04	Southern
Community Engagement Officer	A05	Southern
Senior Advisor	A06	Southern
Senior Advisor	A06	Southern
Senior Program Officer	A06	Brisbane
Manager	A07	Brisbane
Principal Advisor	A07	Northern
Principal Project Officer	A07	Brisbane
Principal Project Officer	A07	Brisbane
Principal Project Officer	A07	Brisbane
Manager	A08	Southern
Regional Manager	A08	Northern
Director	SO	Brisbane

ESTIMATES
Transport, Housing and Local Government Committee

Question on Notice

No. 19

QUESTION:

Page 11 of the SDS.

When will the delayed Local Government satisfaction survey be conducted in the 2012-13 financial year and will the Minister commit to publishing the results in full as soon as they are available?

ANSWER:

The Local Government satisfaction survey, or Business Improvement Survey was last conducted in April 2011 by the Office of Economic and Statistical Research on behalf of the Department of Local Government.

The Department decided not to conduct the survey in 2012 due to the timing of both the State and Local Government elections.

The 2013 survey will again be conducted by the Office of Economic and Statistical Research on behalf of the Department and will be completed by 30 June 2013. The results will then be posted on the Department's website.

ESTIMATES
Transport, Housing and Local Government Committee

Question on Notice

No. 20

QUESTION:

Page 11 of the SDS.

In which Local Government Areas were financial sustainability evaluations conducted by the Office of Local Government in 2011-12 and what steps will the Minister take to ensure that all Local Government Areas are subject to financial sustainability evaluations in this financial year?

ANSWER:

The Financial Management (Sustainability) process evaluates whether a local government has a clear and coherent long-term financial management strategy in place, which is defined as the ability to maintain financial and infrastructure capital over the long-term.

The Annual Return on Financial Management (Sustainability) 2012 was issued to all 73 local governments in January 2012 and was due for return to the Department by March 2012.

It is not mandatory for local governments to provide the return. The Department's aim is to provide local governments with support for the development of long term financial models with supporting indicators and measures that will allow a local government to assess its ongoing sustainability.

59 of the 73 local governments (comprising 51 of 57 non-Indigenous local governments and 8 of 16 Indigenous local governments) submitted data to the Department for evaluation. The Department then provided each local government, including those that did not lodge a return, with an individual response in July 2012.

In response to observations from the 2012 returns, the Department will:

- provide additional support to those local governments expecting to face long-term financial management challenges;
- work with those local governments that require support in developing a long-term financial forecast, including liaising with Queensland Treasury Corporation;
- work with those local governments that require support in developing a financial sustainability strategy;
- continue to promote integrated planning processes in local governments through financial management and sustainability workshops, regional forums and information sessions; and
- facilitate the lodgement of a return from local governments that have yet to provide a response.

Local governments that submitted a return in 2012:

- Aurukun Shire Council
- Balonne Shire Council
- Banana Shire Council
- Barcoo Shire Council
- Barcaldine Regional Council
- Blackall-Tambo Regional Council
- Brisbane City Council
- Bundaberg Regional Council
- Burke Shire Council
- Burdekin Shire Council
- Cairns Regional Council
- Carpentaria Shire Council
- Cassowary Coast Regional Council
- Central Highlands Regional Council
- Charters Towers Regional Council
- Cloncurry Shire Council
- Cook Shire Council
- Croydon Shire Council
- Diamantina Shire Council
- Doomadgee Aboriginal Shire Council
- Etheridge Shire Council
- Flinders Shire Council
- Fraser Coast Regional Council
- Gladstone Regional Council
- Gold Coast City Council
- Goondiwindi Regional Council
- Gympie Regional Council
- Hinchinbrook Shire Council
- Ipswich City Council
- Isaac Regional Council
- Kowanyama Aboriginal Shire Council
- Lockyer Valley Regional Council
- Logan City Council
- Longreach Regional Council
- Mackay Regional Council
- Maranoa Regional Council
- McKinlay Shire Council
- Moreton Bay Regional Council
- Mornington Shire Council
- Murweh Shire Council
- North Burnett Regional Council
- Northern Peninsula Area Regional Council
- Paroo Shire Council
- Quilpie Shire Council
- Redland City Council
- Rockhampton Regional Council
- Scenic Rim Regional Council
- Somerset Regional Council
- South Burnett Regional Council
- Southern Downs Regional Council
- Sunshine Coast Regional Council
- Tablelands Regional Council
- Toowoomba Regional Council
- Torres Strait Island Regional Council
- Townsville City Council
- Western Downs Regional Council
- Winton Shire Council
- Woorabinda Aboriginal Shire Council
- Yarrabah Aboriginal Shire Council