

Question on Notice
No. 1561
Asked on Wednesday 29 October 2008

MR KNUTH ASKED THE MINISTER FOR MAIN ROADS AND LOCAL GOVERNMENT (MR PITT)–

QUESTION:

With reference to general rates since amalgamation and considering some ratepayers are being charged double the amount in general rates since amalgamation–

- 1) What is the percentage of increase in general rates since amalgamation for each amalgamated council (reported separately for each council)?
- 2) What reasons can he give for the massive increase in general rates since amalgamation?
- 3) What additional financial assistance is he offering amalgamated councils to minimise the rise in rates due to the forced amalgamations?

ANSWER:

- 1) The Department of Local Government, Sport and Recreation does not hold information on the percentage increase in local governments' general rates.
- 2) Many factors impact on council revenues and subsequent rating policies. Most notably, rising costs in the construction sector, increased fuel costs and labour market shortages. Many councils are also facing significant growth challenges during the next 10 to 20 years, particularly in relation to infrastructure provision and management of this infrastructure backlog.

Rate increases are not specific to amalgamated councils.

- 3) Amalgamations have not caused rate increases however; the Government has already provided local governments with a total of \$27.1 million to meet one-off transition costs.

Experience elsewhere in Australia has shown that where mergers have occurred, typically the savings outweigh the costs. The costs are generally one-off costs - approximately one per cent of the merged councils' budgets - while savings are recurrent and can be between 2 to 5 per cent per year.

We have already seen evidence that amalgamations have brought financial benefits with the new Moreton Bay Regional Council identifying savings of 2.4 per cent in its first budget.