



Braidwood and Queanbeyan-Monaro Greens local groups

Joint submission

The Braidwood and Queanbeyan-Monaro Greens local groups, whose members reside mainly in the Palerang and Queanbeyan City Council Local Government Areas (LGAs), offer the following submission on their respective councils' submissions to IPART.

Palerang Council and common issues

We are pleased to see that neither council supported a merger as proposed by the state government and, as stated in the Palerang Council Improvement Proposal (PCIP) “have submitted improvement proposals with a view to remaining independent entities”¹. We are concerned however at the statement that “the required improvement in the Operating Performance Ratio can be achieved through a special rate variation of 7% above the rate cap for the next 5 years.”²

The ability to stay or become Fit for the Future should not centre around the necessity for councils to raise rates or increase their population bases in order to increase their revenue. Palerang Council's apparent desire that the Bungendore population will double in the next few decades is not supported by many of Bungendore's residents, as touched upon later in the PCIP³ - “not all of the community support population growth and associated development.” We would question however, the subjective inclusion of this point in the *threats* section of the SWOT analysis, when it could just as equally or even more appropriately appear in the *weaknesses* section.

There are other approaches that Palerang could adopt to achieve financial viability, rather than relying solely on population growth and a massive increase in rates. These include improvements to energy efficiency and increased installation of renewable energy; reviewing and revising S94 contribution plans; and more effective business modelling, through employment of appropriate staff and development of an Audit and Risk Committee.

We support the assertion that “Palering is a rural shire with characteristics that embrace agricultural and ecological qualities supporting demographics seek out a life style quite distinct from that found in more urban areas. ... It is Council's firm belief, well supported by the residents it represents, that the Palerang community will be better served by an agile and innovative council that can remain focussed on the unique needs of a rural community, than by a council dominated by urban interests.”⁴

In addition, we question the process undertaken by the state government that led it to presenting a Palerang/Queanbeyan City Council merger without recognising and acknowledging the clear distinctions between an LGA like QCC and a more rural LGA like Palerang, and without considering other options. Having said that, we believe in the principle of small, properly-funded local government and the best-case scenario does not involve mergers with any other councils. We do acknowledge, however, that minor boundary adjustments may be beneficial, for example in

1 Palerang Council Improvement Proposal p. 3

2 Ibid, p. 4

3 Ibid, p. 10

4 Ibid, p. 6

ensuring that similar contiguous land is not unnecessarily divided between two councils.

The first point in the *opportunities* section of the SWOT analysis is “growth of renewable energy sector – windfarm expansion and major solar farm development already approved.”⁵ It is a timely topic, with the federal government attempting to forbid the Clean Energy Finance Corporation from investing in wind projects and now also rooftop solar. This is a clarion call to state governments to take the lead, and one way for LGAs to generate not only some of their own power but also income is with community-owned renewable energy projects. Palerang is an LGA eminently suited to community projects like this and investment in appropriate land could result in major benefits for the community.

Point 4 of strategies in 3.1 *Sustainability*⁶ is “continue to co-operate regionally to maximise resource sharing.” This approach will be a key part of “Fit for the Future” and needs to be maximised wherever possible.

Queanbeyan City Council

In relation to the Queanbeyan City Council’s submission to IPART, we are not opposed to sharing services where it benefits both councils but the proposal for QCC to become a Regional Services Provider for surrounding councils does not seem to be related to the LGA review panel’s recommendations concerning a merger of Queanbeyan and Palerang and is problematic for several reasons. Palerang almost certainly would not be in a position to purchase services from QCC and it is unclear whether other councils in the region would be interested. There are risks involved in setting up a service *delivery unit that might not result in anyone purchasing services*. It is unclear whether QCC has the capacity to undertake such a role, and the financial costs of setting up such a service appear not to have been costed. If QCC wants to pursue this proposal then it needs to do more work and bring it back to the community.

Reports QCC commissioned as part of its response to the recommended merger with Palerang indicate a forecast of rising operational deficits for QCC for at least the next decade, up to \$8.3 million by 2025. Council argues that the forecasts were based on conservative assumptions about growth and income but it is well known that QCC has a major backlog in upgrading infrastructure, so much so that in 2012 it applied for and was granted an ongoing SRV of 5.8% to fund part of this backlog.

Council has substantial growth pressures, with new population to be housed in townships some distance from the city centre, adding to the cost of building and maintaining roads and related infrastructure.

Council is also considering whether to approve loan borrowings of up to, and possibly more than, \$40 million to cover developers’ contributions to a major proposed road project – the Ellerton Drive Extension, allowing 20 years for developers to repay the loan. Neither Council staff nor the Mayor, who supports this road project, have provided any detail to the public about managing financial risks associated with possible loan borrowings for this road if council approves construction.

In addition, Queanbeyan’s economic performance is influenced by the state of the ACT economy, which employs many of Queanbeyan’s residents. Previous and projected jobs cuts to the Australian Public Service are likely to mean reduced economic activity with flow on impacts such as slower land development and associated revenues to council.

5 Ibid, p. 10

6 Ibid, p. 26

It is difficult to see how a merger with Palerang would alleviate any of the above factors and create a better financial outlook for Queanbeyan. Nor is it possible to see how Queanbeyan Council's regional services model would assist.

Conclusion

We believe the State Government must recognise that forced amalgamations such as those that are being proposed are not welcomed by the majority of affected communities and the State Government must now take a new approach to local government in NSW, including analysing the effect that ongoing cost-shifting has had on the ability of councils to meet the needs of their communities. *It is our view that the State Government must now work constructively with the LGAs that wish to remain independent to help them deliver the facilities and services that their communities expect.*

Thankyou for the opportunity to make this submission.

Catherine Moore [REDACTED] & Noela McDonald [REDACTED]
on behalf of Braidwood Greens and Queanbeyan-Monaro Greens local groups
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