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28 April 2021

**Our reference: 1040899**

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## **Office of the Mayor – Cr Rachel Chambers**

Dear Deputy Premier

### **Re: Sustainability of Local Government**

I write to you today in the hope that as Local Government Minister you are as concerned as I, about the unsteady foundations 25 Local Government areas are currently built on. Although the financial sustainability of these 25 Councils are of my great concern, my greatest responsibility lies in alerting you to the North Burnett's issues.

Upon Amalgamation the North Burnett had a weak financial outlook. It was deemed that the Council, *"will continue to require significant support and access to capacity. It will continue to be heavily dependent on Federal and State Government grants and subsidies and Main Roads contract works. However, the amalgamated local government should make more efficient use of these funds thereby improving the outcomes for the community"*.

To summarise how this has played out, below is a timeline of events since 2008:

- 2008** Baseline funding of Federal Grants removed costing the amalgamated Council \$1m
- 2008** Loss of water and waste-water funding (up to 75% subsidised previously).
- 2011** Cyclone Tasha & Anthony. Disaster declared flooding event.
- 2013** Loss of Road Contracts (due to Roadtec heading out from SEQ)
- 2013** Cyclone Oswald. Disaster declared flooding event.
- 2014** Loss from Federal Gov (freezes Federal Assistance Grant).
- 2015** Cyclone Marcia. Disaster declared flooding event.
- 2016** Central QLD Surface Trough. Disaster declared flooding event.
- 2017** Cyclone Debbie. Disaster declared flooding event.
- 2017** Central Coast QLD Severe Weather event.
- 2019** Lost ability to borrow from QTC and end of flood money.

The loss of funding has hurt the region over and over again, but this has been compounded by repeated disasters which have served to mask the underlying financial issues, and further compounded them by their effect on our depreciation. Additionally, Council's capacity to manage any future focused planning was limited given the infrastructure, social and economic damage within the community.

The efficiency the reform report referred to was thought to be gained by the development of one town as a regional centre. The problem with this thought however was that it would require the ageing community to travel more than 1.5 hours in any direction, in a region with hugely limited public transport (2-3 times a week a bus leaves the region) and limited internet connectivity due to our topography. The expectation that my community would accept the equivalent of the Brisbane community needing to drive to Mooloolaba to pay rates, organise a burial or a wedding, or hire a library book, is quite ludicrous.

Since 2019, Council has been working with QTC on a business improvement package. We are getting our ducks in a row to run an efficient and effective Council. I was glad to see the QAO report recommendations regarding asset and risk management and procurement, as these are focus areas of our Council. I was also glad to see financial training was included in the recommendations as the training we have received from QTC has proved invaluable to Councillors.

QLD Local Governments ability to work within their own source revenue looks vastly different based on their ability to raise revenue, location, population size, rate base and the ability to levy user charges. The system of financial sustainability as it stands draws a 'line' around a geographic area (Council) and implies a closed system where ratepayers must pay for the assets and services within this 'area'. The folly in this, lies in the fact that as Queenslanders we all use each other's infrastructure and even let people from other states, territories and countries use it on occasion.

When the ratepayers of a "geographic area" are unable to afford to maintain the shared assets within this "Council area" alone, they are expected to cut costs by reducing maintenance and lowering service levels. This in turn results in job losses and loss of liveability, both further exacerbating the problem within the area. Once on this roundabout, there's no getting off.

Steven, due to removal of funding and due to the increase in depreciation from natural disasters, the North Burnett is getting on the roundabout and I'm writing to you as, as Mayor, I fear I may not be able to get us off.

Financial sustainability of Councils has long been touted as a 'challenge'. For Councils like the North Burnett, just three hours northwest of Brisbane CBD, it's more like hiking barefoot up Everest, with the hopes and dreams of the community on your back.

Without immediate State and Federal Government intervention our community will soon become unsustainable. Each cut back diminishes our liveability and takes steady jobs from the area. These cutbacks are being brought about as a requirement by your government to shrink our operating deficit to improve its financial sustainability.

Changes to service delivery currently being considered by the North Burnett Regional Council include:

- Pools being run to closure, leaving our children without vital swimming lessons
- Reductions in waste disposal options
- Changes to road grading and maintenance (going back to a dry only grade 1970's style)
- Reductions in library and administration services.

This is just the beginning. Even if we adopted every proposed change, we would still be in deficit \$5.5 million dollars. Money we would have to find in cut-backs year on year. Cutbacks mean job losses and a loss of services and liveability to our communities.

As Queenslanders we all contribute to the state's economy. As Queenslanders we all desire a future where generations to come will be able to live, work and prosper here.

I ask you Minister, what does your government deem to be an adequate level of service delivery for all Queenslanders?

I ask you Minister, should our Council be expected to continue cutting services until we achieve a surplus?

My community is more than just a balance sheet. I implore you to please value our region enough to support us in becoming a sustainable community that is run by the most effective and efficient Council possible, rather than a sustainable Council leaving an unsustainable community in its wake.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Rachel Chambers', written in a cursive style.

Cr Rachel Chambers  
**Mayor**

