



Speech by

**Mr D. BRISKEY**

**MEMBER FOR CLEVELAND**

---

Hansard 25 February 2003

**LOCAL GOVERNMENT LEGISLATION AMENDMENT BILL**

**Mr BRISKEY** (Cleveland—ALP) (5.42 p.m.): Like the member for Indooroopilly, I am very pleased to be able to stand here and support this bill. It seems very timely to be discussing a bill which seeks to deliver on a number of reforms in the area of local government revenue raising and, in particular, seeks to raise the level of accountability for local government revenue raising activities.

As members are aware and as the previous speaker already mentioned, the release of land valuations this week has sent many Queenslanders into a spin about what effect increases in rateable land values will have when it comes to the bottom line on their 2003-04 rates notice.

Within my own electorate of Cleveland, North Stradbroke Island residents, in particular, many of whom are now pensioners and have lived on the island for most of their lives—in fact, many have lived there for all of their lives—are threatened with skyrocketing land values, and have done for a number of years now with very little capacity. In fact, in some cases they have no capacity to meet the rising costs of rates and services. In particular, people at Point Lookout and Amity Point on North Stradbroke Island have seen their rates go up increasingly each and every year that valuations are carried out. I am very concerned because their income does not go up accordingly, and many are being forced to sell their properties because they cannot afford the rates bill that they receive.

Much of the confusion surrounding the issue stems from the fact that many of council's revenue raising activities have until now lacked transparency and ratepayers have been left in the dark about the whys and wherefores of the process. This bill before us today seeks to change that. The new provisions contained within this bill seek to enhance accountability by providing for greater transparency in local government decision making, particularly when it comes to revenue policy decisions.

The changes will ensure that the public is better informed about the principles underlying local government revenue raising decisions. Councils will now have to create and make available publicly two documents: a revenue policy and a revenue statement. These new requirements will mean that, prior to releasing their budgets, councils must first prepare their revenue policy documents which detail its broad strategy to raise revenue.

This document will specify the principles to be applied in the making, levying and recovery of rates and charges and in the exercise of concession powers under the City of Brisbane Act 1924 and the Local Government Act 1993. It is intended to provide the public with a short, strategic document rather than a detailed operational statement on revenue raising.

The publication of a revenue policy prior to the budgetary process will achieve two key objectives: strengthening the budget process and providing increased transparency about the local government's broad directions. As has been said by previous speakers, even if the revenue policy receives no response from the constituency, the fact that it has to be publicly available should increase the rigour of local government budget processes.

The revenue policy will be similar to the government's Charter of Social and Fiscal Responsibility, which is required under the Financial Administration and Audit Act 1977. The intent

and purpose of the revenue policy as an accountability mechanism is also similar to the intent and purpose of the charter.

As I mentioned earlier, the second requirement is for the publication of a revenue statement which will accompany the budget. This particular document will need to outline and explain the revenue measures adopted in the budget process. The statement will need to provide a description of the differential rating categories and criteria used in the budget, summarise the joint arrangements for the levying of special rates for expenditure or services in another local government area and document the criteria used as the basis for fixing regulatory fees.

Under the new provisions, local governments will also be able to use the flexibility of the legislation to decide how the rate burden will be shared across the community. Importantly, local governments will need to ensure that the mechanisms used for deciding how the rate burden is to be shared is an open and accountable process.

Once again, the inclusion of this provision in the bill ensures a level of transparency which allows the ratepayer to scrutinise the actions of their local government. The changed provisions have been added to ensure that there is no doubt as to the intent of the current legislative framework. In the past, some local governments have fulfilled the requirements to produce financial plans, policies and reports. However, these have failed to document their revenue raising decisions.

The creation of a publicly available revenue policy and revenue statement will ensure an unprecedented level of transparency. I congratulate the minister, her staff and departmental staff on the new provisions and commend the bill to the House.