Speech by

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MEMBER FOR WARREGO

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LOCAL GOVERNMENT LEGISLATION AMENDMENT BILL

Mr HOBBS (Warrego—NPA) (4.16 p.m.): I am pleased today to talk to the Local Government Legislation Amendment Bill 2002. The National Party opposition will be supporting the bill in the House today. This bill provides for amendment of the City of Brisbane Act 1924 and the Local Government Act 1993 to provide local government with more appropriate flexibility in revenue raising; to improve the accountability of local governments in revenue raising; and to clarify the intended purpose of some current provisions relating to revenue raising. The bill amends the Local Government (Queen Street Mall) Act 1981 and the Local Government (Chinatown and The Valley Malls) Act 1984 to ensure that Brisbane City Council can effectively deal with unauthorised vehicles in Brisbane city malls, and it enables the BCC to utilise the state penalties enforcement regime for enforcement of prescribed offences under the Malls Act and local laws supplementing the acts.

In May 1999 the Department of Local Government and Planning released a discussion paper on local government revenue raising powers to stimulate discussion about a range of general and technical issues relating to the revenue powers available to local government, including the flexibility afforded local government in response to community needs and sufficient transparency in local government decision-making processes. This paper also included proposals for legislative change arising from the Ombudsman's 1998 report on an own motion investigation under section 15 of the Parliamentary Commissioner Act 1974 entitled *Rate recovery practices of local governments in Queensland*. A lot of that probably would not mean a great deal to the average person out there, but in local government circles the legislation we are dealing with today is pretty important. It will have a large impact across-the-board on ratepayers. I genuinely believe that there will be some improvements and that ratepayers will benefit from the accountability process in terms of having a better understanding of local government's revenue raising ability in relation to how and why they do it.

I wish to address a number of the clauses in this bill. However, prior to doing so, it is important to acknowledge in the context of the debate yesterday's announcement of new land valuations for parts of Queensland. The announcement that valuations across the region have soared for a third consecutive year, with average land valuations up 32.5 per cent in Brisbane and 38.07 per cent on the Gold Coast, confirms to us again that the present valuation system based on the unimproved capital value of all rateable land requires the urgent attention of the state government. Land-holders across Queensland are outraged, to say the least, after being hit with massive increases in their land valuations, which has in turn driven up the cost of leasehold land rentals. We will see increases down the track not necessarily only in rates, which I will come to later.

Yesterday, industry and property groups called on local government to show restraint when passing on rate adjustments based on the new valuations. Most councils will; most are responsible and, as we all know, generally speaking, councils require only a certain amount of money and will adjust their rate in the dollar. However, many ratepayers will be caught out by variations in valuations across the regions. Some residents will have substantial increases in rates. Some may even go down. In a lot of instances, they will go up. That is not satisfactory. Many people have been searching for ways to improve the system. However, no-one has come up with a really good answer. There have been a few suggestions. I believe we need to work harder on finding a better system. People who have lived in some suburbs for many years are now being rated out. That cannot be allowed to happen. People who have made their retirement plans are being rated out and are having to move.

I note that a spokesman for the Department of Natural Resources said the valuations will take effect on 30 June this year and were simply a reflection of the buoyant property market. The market is buoyant. However, Real Estate Institute of Queensland President, Mark Brimble, said the latest valuations seemed overinflated given that the increase in median house prices between 2001 and 2002 was 22 per cent. I am sure people will object to those valuations and I hope that results in a resolution for them.

It is about time this government and in particular DNR bit the bullet and conducted a lengthy review of the current system. If that is already under way, there needs to be a report in the short term with recommendations being put forward for public consideration and comment. The impact of these valuations has hit not only metropolitan land-holders but also those in rural areas, who have witnessed increases in valuations of up to 70 per cent. Forty-one of the 124 local government areas have had valuations this year. The others have not had enough movement over that period to warrant an annual valuation. We will see some big increases in the land tax being paid in those areas. Tomorrow, with the mid-term budget figures being released—they are about two to three months late—we hope the Treasurer will indicate that next year there will be reductions in land tax to take account of the huge increases in valuations this year, otherwise members opposite will get representations from those being hit with land tax increases.

During possibly the worst ever drought seen in Queensland, which has seen 87 shires and six part shires drought declared by the state government, the last thing we need is producers, growers and small business owners having to contend with land tax increases. I am sure the Minister for Primary Industries and Rural Communities will acknowledge the fact that the recent rains are very welcome. However, they need to continue across Queensland and we still cannot mitigate the effects on crops or cattle already lost by our primary industries over the past couple of years. Our governments at all levels need to remain supportive of communities suffering from the drought as they get back on their feet.

The bill before the House will provide local councils with the opportunity to limit the financial blow through the increase in land valuations. The Executive Director of the Local Government Association, Mr Greg Hallam, noted yesterday that rate capping, rate averaging and differential rating were used throughout Queensland to limit this financial impact.

This legislation is intended to improve the workability of the City of Brisbane Act and Local Government Act with respect to the making, levying and recovery of rates and the granting of rating concessions. I believe these amendments will enable councillors to consider local circumstances and the impact of disasters such as the drought in their jurisdiction's use of the rating tools available. The proposals in this legislation for concessions for classes of land-holders could have had an early benefit for councils wishing to recognise the impact, say, of the drought, a flood or some other natural disaster that we have seen hit communities across Queensland even over the last few weeks.

It is important that this legislation is brought on early and passed in a timely manner so as to allow councils a sufficient period to have these new requirements in place for their budgets. The minister mentioned to me yesterday that this is one of the reasons the bill has come forward early, namely, so that councils will be able to use this in their forthcoming budgets. That is a valid reason. We accept that.

This is one bill that has had extensive consultation. It is a model that should be used for a lot of other legislation. Often, bills that come before the House have not been the subject of adequate consultation. This minister is guilty of that in respect of some legislation, and particularly the decision that councillors now cannot stand for state parliament, where there was very limited consultation. This can be done and done right. This is one example of how this can be done properly. Trying to push things through without proper consultation reduces the credibility of the government and the departments. Departmental officers are trying their best to balance the political whims of the government of the day and the reality of getting on with the business of government. They must try to retain their credibility—something they lose when they have to support the minister of the day. In many instances they are told to toe the line when reality and commonsense dictates otherwise.

I turn now to the City of Brisbane Act 1924. Clause 4 replaces the general rates and charges provisions under this act—sections 48 to 58—with a new set of provisions incorporating amendments similar to those made in the Local Government Act 1993. Also, section 59 of the act is replaced by a new section 1071A in the Local Government Act inserted by clause 66 of the bill. I have already broadly noted in my introductory comments what these changes intend to do. However, I wish to address a couple of these amendments in brief.

The replacement of section 53, which deals with the adjustment of special rates and charges, will provide for councils that have remaining funds received from a levy or a special rate or charge to refund in the same proportions the special rate or charge that was levied to the current owners of the land on which the special rate or charge was levied. This would have to be acted on as soon as possible and would apply in an area where: firstly, the council decides not to fully implement an overall plan that has been partly implemented; secondly, the council has funds received from a special rate or

charge remaining; and, thirdly, the plan identifies, for different stages of its implementation, the rateable land or occupiers of the land that will benefit from or have access to the service, facility or activity. This is a fair amendment. I am happy with and supportive of the provision that will provide for councils to refund any special rates or charges that have been collected initially but which are not required for their initial intention. However, there is a slight sting in the tail with this. Perhaps the minister could clarify this later. We may have an administrative problem if a special rate is struck for a purpose and it takes a long time to complete a program. With the best of intentions, a council might elect to impose a special charge for a special purpose and, because of various reasons—too much or not enough rain—it might take a couple of years before it is finally completed.

For instance, in a situation where a council has struck a rate and they have not been able to complete it, it may take some time. I presume they have to strike that rate every year. When they have to try to find the owners, what happens if the owners have gone or sold? That is what I am talking about. One would hope that if they had to refund money to 10,000 or 5,000 or 100 owners they would find most of them within 12 months if the council was not able to get the job done. But if it took two, three, four or five years before it was finally washed up, where are the owners? There may have been three different owners since then. There is a large turnover in flats, for example. That is an issue that needs to be worked through.

In her second reading speech the minister spoke about fixing regulatory charges to recover no more than the cost of providing the service, and I presume this comes under the same act. Does that mean that if archiving costs the council $50 or $100 they can only charge that much? Is that the way it is meant to be? That will be interesting, because many councils will vary in what they charge. Will there be a standard across the state? How is that going to be handled? That is something we may be able to talk about in the debate on the clauses. The intention of this amendment is for councils to have the power to decide if discounts should be available where all rates are paid or only those rates specified by the council. In addition, the council could decide that a discount on rates is not available if the ratepayer owes an outstanding amount for work performed by the local government under section 1066 of the Local Government Act, 'Performing work for owner or occupier'. We support this amendment.

I turn now to the insertion of proposed clause 79A, 'Council may grant concessions to classes of landowners'. This clause provides councils with the discretion to grant a rating concession to a class of land-holders or entities without an individual application from each member of that class. This is obviously a great improvement in administration for councils. As the minister mentioned in her second reading speech, local governments wishing to grant rating concessions to ratepayers who meet certain criteria such as pensioners have to deal with applications on a case-by-case basis and this can create an administrative burden for local governments that must assess and process each application individually as well as a burden on ratepayers wishing to take advantage of any applicable concessions.

It is a very practical amendment that will hopefully allow our councils to recognise the difficulties experienced during the current drought. They may be able to apply concessions to land-holders in such circumstances, particularly in relation to some large valuation increases in the central Queensland coastal region. For instance, there are farmers who have had no water at all with which to irrigate and their valuations have gone up dramatically. That may be a case where councils could say, 'Oh, well, we'll try to phase this in and perhaps give a concession for that particular year.'

I hope that granting concessions to a class of land-holders will not disadvantage any individual who has a genuine case. However, such people will be in the minority, and as a result the council refuses to go ahead with a blanket concession. I think that should be okay. I do not believe this amendment is being proposed with any ill intent. However, it is important that councils adopt and apply these concessions where they are most needed in drought declared areas or disaster declared shires, which reflect more than half the local councils in Queensland.

I turn to the amendment to section 81, 'Establishing criteria and categories'. This amendment provides an example of how a council may decide categories for a differential general rate and how the council may determine the criteria for those categories. These examples are outlined in detail in the legislation and they include separating land into residential land, commercial and industrialised land, grazing and livestock, rural (sugarcane) and rural (other) including in an urban centre or locality, sugarmilling land and any other land not previously mentioned.

Given that quite lengthy consultation was undertaken on this legislation with some 1,700 copies of the draft bill being downloaded from the department's web site, I am keen for the minister to indicate whether she is aware of how many of the 125 local councils are prepared to adopt the categories for rating land that this bill provides for. The minister may not have had any indication at this stage as to what councils will do. I think quite a few have indicated that they probably will adopt these categories, but is there any documentation that the minister has along those lines or a best guess? The opposition is supportive of the development and application of these categories and will be interested in seeing their adoption by some of our local councils.

I turn now to division 1A, 'Revenue policy'. A responsibility of our local governments is to provide the community with the opportunity to comment on and scrutinise their policies and in particular their revenue policy—in other words, the way rates are levied and recovered. The requirement in this legislation for local councils to prepare and adopt a revenue policy for each financial year will provide for greater accountability and transparency in the process. A revenue policy will have to be adopted in advance of the budget to clearly set out the principles to be used by the local government in setting the revenue component of the annual budget and the strategy that it plans to use to raise the revenue.

As I understand it, local governments will be required to prepare this revenue policy in the same manner as they prepare their corporate plan prior to the handing down of the budget. The opposition is most supportive of the requirement of this level of government to be completely transparent in its revenue collection process. I commend the minister for putting forward these changes to both the City of Brisbane Act and the Local Government Act. The public should have the opportunity to understand and question how their council works through this process. I believe that these new requirements will achieve these objectives.

As I understand it, once the budget has been developed a revenue statement is prepared which has to take the form of an explanatory statement to accompany the budget outlining and explaining the revenue measures adopted in the budget process. These new provisions will apply for the forthcoming financial year. Hopefully that will give people a much better explanation of where the money is coming from in relation to council revenue.

I note that the minister has also said that it will be up to each council to decide the overall measures needed to achieve appropriate levels of transparency. In order for local councils to achieve these appropriate measures or minimum standards, it is important that the department assist in this process. I am aware that the minister has committed the department to providing training and updating the department's revenue raising manual. For the benefit of all members of the House who respond to the concerns of local councils in their electorates on a regular basis, it would be useful if the minister could outline exactly what assistance her department will provide and whether this will be available to each and every council in Queensland. Will she simply be updating the department's revenue raising manual and sending it out or will there be one-on-one assistance with that? We need to ensure that all councils, remote or metropolitan, have the opportunity to access the department's knowledge and resources in preparing their new revenue policies.

I turn now to the insertion of new section 16-16C, 'Removal or moving of vehicles in mall areas'. I do not wish to speak in detail on the series of amendments concerned with this section of the bill, but it is important to say that this will provide an authorised person under the Local Government (Chinatown and the Valley Malls) Act to remove or move a vehicle if satisfied on reasonable grounds that a vehicle has been (1) abandoned in a mall area, (2) left unattended in a mall area and its presence is hazardous or (3) found in a mall area and its presence is hazardous or contravenes the act.

This power will not be permitted unless the person who is, or appears to be, in control of the vehicle cannot be readily located, or has failed to remove the vehicle when required by the authorities to do so. These powers will also apply to the Local Government (Queen Street Mall) Act. We support the inclusion of this new section as it is often the case that abandoned or unattended vehicles take up space or get in the way of short term-parking, driveways, pedestrian walkways or other utilised areas within Queen Street Mall and Fortitude Valley. These two particular areas within the broader city precinct are major traffic and pedestrian zones and provide mainly short-term parking, or in some circumstances no provision for parking. It would be unfair on those people wishing to benefit from these services for other commuters to abuse this process and escape being penalised.

Part 7 of the act has provided that the Brisbane City Council, in the matters just mentioned, will be able to utilise the state penalties enforcement regime instead of any action being carried out through the Magistrates Court. I appreciate that in these particular cases action through the court process would be an expensive alternative in requiring a person to pay an infringement notice. However, it is clear that since the establishment of SPER in November 2000 it has justifiably acted as a toothless tiger with regard to its ability to chase up repeat offenders who continue to fail to pay a particular fine.

I want to place on record the opposition's concerns about the use of SPER given that its personnel are already unable to keep up with the processing of existing infringement notices as well as keep track of those repeat offenders within the system. I would appreciate the minister's advice as to the decision to utilise SPER in enforcing these changes.

In conclusion, the bill deals with a number of important aspects of the operation of local councils. The amendments that have been put forward with regard to improving the flexibility of revenue raising as well as introducing greater transparency into the reporting process will provide a more fair approach towards landowners, in particular those affected by the current drought.

This legislation should also ensure that members of the public are more aware of how their local councils raise revenue from the levying of different rates through these more accountable measures. Local councils should not bear the full brunt of justified criticism of our current land valuation system. It is the responsibility of the state government to seriously review and consider how this process can be improved. I commend the bill to the House.