



Speech by

Mrs LIZ CUNNINGHAM

MEMBER FOR GLADSTONE

Hansard 25 February 2003

LOCAL GOVERNMENT LEGISLATION AMENDMENT BILL

Mrs LIZ CUNNINGHAM (Gladstone—Ind) (5.18 p.m.): I rise to speak to the Local Government Legislation Amendment Bill and note that the amendments apply in some instances to the city of Brisbane area and others to just local government generally. Perhaps rather than make the distinction between the two, most of the issues that I want to speak about apply to both local authority areas. The community continues to have its closest relationship with local government. I know that the minister has a local government background and understands the special relationship between the community and the council, particularly at rates time. Councils' ability to generate rates through minimum general rates and differential rates is essential, although I know that people in conflict with the council will often question the need or the ability for councils to raise rates in the way that they do, even though the standard answer from anyone in local government and others in state government is that they have to make a revenue stream in some way.

The minimum general rate applies, in most cases, to areas that are not progressing quickly—places in rural areas that may have an urban-type structure, such as smaller acreage or smaller subdivisions, and in my area the miners' homestead perpetual leases and the miners' homestead leases. They really do not have any services. However, they are charged minimal rates so that there is sufficient income generated from these areas to at least provide the basic council services. Many councils have retained differential general rates. I would have to express some disappointment that Calliope council—I was a member of the Calliope council several years ago now—abolished its differential general rate. It had an urban and a rural differential rate. I believed—and so did others at the council when I was there—that that allowed council to recognise the fact that in general terms rural ratepayers demand less of council services than urban ratepayers. That is not a criticism of one or the other. People who live in urban areas consume more council services; they access libraries, use footpaths, roads, parks and so on much more frequently than people in rural areas. At the time when the differential general rate was abolished in Calliope it was stated that it was done because the rate in the dollar charged for that particular year was the same as that for the urban areas. That may be the case, but in terms of urban versus rural situations in a council area that allows a council to recognise, particularly, as I said, in rural areas, the impact of drought, commodity prices and so on, as well as recognising that those issues are addressed during valuations by the state government.

I am sure the minister would remember the wars we would have with the valuer-general's department when it came to valuation time. Even though the valuer-general's department does the valuations that are the basis for rates, the community still sees council as the body that sets the rate level and the amount of money that will be required of them as individual property owners, so the council is always the target of the venom of the community. That is why local authorities oppose additional levies being attached to a rate notice. There has always been a reaction when that has occurred; for instance, when the rural fire services levy was attached to the rates notice. The rural fire service is accepted by everybody who uses it and needs it as an essential service. The council knows that most landowners look at the bottom line and blame the council irrespective of the nature of the additional levies.

I also wish to place on the record concerns developers have expressed in my area that with the development that has occurred there has been an increased demand for subdivided land and there have been increases in council special levies on development blocks to the point at which a number of

developers have told me they will not continue with the rate of subdivision development they perhaps would have originally contemplated. This is because a council, for example, has the ability to levy a cost to a block of land for not the roads attached to the subdivision but the collector roads that lead to subdivision areas. Councils have a significant balancing act to maintain in generating sufficient revenue for their needs—not only for construction and capital works but also for their operational and I&R needs. They need to keep those charges at an affordable level. If there is any criticism of local government and these changes in the Local Government Act, it will be in terms of the ability of the local authorities to generate additional charges and levies to the level that councils consider appropriate. Some of the changes in the wording indicate a greater ability of councils to generate income. Councils do need that income. However, it reduces the opportunity for ratepayers to question the basis and rationale for those increases. We experience situations, as do all local authority areas and members, where individuals are aggrieved by charges placed on their rates notices and go through the process of approaching the Ombudsman only to find that when a charge is legislated the council has not stepped outside its parameters of power.

I, too, wish to commend the minister for the retention in the Local Government Act and the City of Brisbane Act of the ability for councils to grant concessions to certain classes of landowners. It gives a council a broad ability by resolution to remit a rate wholly or partly. I commend the minister for the retention of that power for council, in particular in respect of the concession that pensioners are allowed. It is also pleasing to see the recognition of bodies whose objects do not include the making of profit. There are hundreds of such bodies in our community. If the government was suddenly left with the responsibility for these areas in our community, some would not survive. In particular, I refer to Blue Care, Meals on Wheels and sporting bodies. Councils accept that these groups make a major contribution to the societal fabric of local authority areas and grant them concessions on their general rates. However, a lot of councils still require them to pay full water and sewerage rates. There is also an ability for councils to give concessional rates to those who would otherwise be placed in hardship and also the ability to give assistance for economic development.

Another issue that I wanted the minister to clarify relates to a slight change only. The power has been in force for a number of years. I refer to the ability for councils to rates cap. I endorse the efforts of any council to contain the rise in any one rates year for land, particularly where valuations rise significantly in any one valuation period. We went through the process about 10 years ago when we changed from seven-yearly rate valuation cycles to one-yearly valuation cycles. The member would have been in local government back then; I was, too. That was purported to stop the peaks and troughs in valuations. It did not. I just meant that instead of it being every seven years, in some areas it was every year. The impact, particularly if those valuation rises were disproportionate across a shire, meant that different geographical areas of a local authority could be significantly impacted by valuation rises, particularly waterfront land and land with significant beneficial and saleable strengths. Their valuations would rise exponentially. Others areas may not have changed. Land in rural areas might have even decreased because of commodity prices and drought conditions. However, prior to rate capping councils did not have any opportunity legally to be able to contain the impact on ratepayers of a local government area. The rates cap gives them the ability to pass through the valuation and subsequent rate rises over time. That ameliorates the sudden increase in rate payments, which could be up 300 per cent or 400 per cent in some instances, to a cap and a progressive increase over a longer time.

Rate caps have been in place in Calliope shire for a number of years. They were brought in when I was on the council. Although it is distasteful for people to have to face a rate rise every year because of a valuation jump one, two or three years prior, it does keep those increases in rates to an affordable level. As I said, whilst it is distasteful in theory, the fact is that land owners can actually afford their rates bill when it comes, particularly if the cap is around 10 per cent to 15 per cent. I commend the minister for the retention and clarification of that ability.

The only other areas that I wanted to comment on were the obligation on councils to establish their budgets and then the obligation on councils to have those budgets available for inspection and also copies available for purchase. A complaint that I have had in relation to both local and state governments is that documents are made available, but they are made available at such a cost that the ordinary worker cannot afford to buy them. If transparency and accountability are the catchcries for state, local and federal government, it is incumbent that intrinsic information that we say we want to make available to the community is affordable. I guess it is a bit like FOI: it is fine to have it in place, but if one cannot afford to have documents identified and available to them then it is only FOI in words and not reality. The same can happen in local authorities where some of the costs attached to their services are so high that it effectively moves it out of affordability for residents in the local authority area. The soft answer is to say that those people who are aggrieved have the opportunity to respond to the situation at the next election. That is true, but that is every four years. For many people, it does not answer their concerns about access to information.

The other issue I want to raise relates to special rates and charges. It is interesting and noteworthy that throughout this bill it is often repeated that a local government may fix a minimum amount of a special rate or a special charge whether or not that local authority is undertaking or supplying the service, while the footnotes state that other local authorities may provide the service. It is an indicator of how far local governments have changed over the last few years in that there is a lot of interaction and cooperation between local authorities where they have common interests and, in most instances, that cooperation is done in the right spirit. There are instances where there is a little bit of a turf war, but fortunately that has diminished in the last few years. But, again, it is important.

Whilst the words are in the legislation to say that local authorities are accountable, the cost must only be the cost that is incurred by the local authority to provide the service. There are many instances where constituents feel that the cost of the service is not a commercially comparable cost and they therefore feel aggrieved. I ask the minister to clarify that—that is, where people feel aggrieved, obviously their first port of call is the Ombudsman, but in what way will local authorities legally be called to account where there is a significant concern about the level of a charge, rate or cost that is applied to sections of the community where the local authority will be required to be accountable?

In one of my experiences people were concerned about the amount of land taken for a sewage treatment works. It was a huge area of land. When the landowner whose land was to be resumed came to me to discuss the issue, the fact was that the council was acting within its legal powers, albeit that one may be able to question the morality of the decision made. Will the Local Government Ombudsman still be the only place for aggrieved residents to take their concerns in relation to the powers of local government in levying rates and charges or will there be other avenues available for keeping local governments accountable in that charging regime? There have been many changes to local governments over time in terms of their responsibilities, their perspectives and their involvement in the community.

I commend the minister for introducing the bill.