



Speech by

Hon. Andrew Fraser

MEMBER FOR MOUNT COOT-THA

Hansard Tuesday, 22 May 2007

MINISTERIAL STATEMENT

Local Government Reform

Hon. AP FRASER (Mount Coot-tha—ALP) (Minister for Local Government, Planning and Sport) (9.59 am): Without reform many local governments around Queensland face financial collapse in the coming years.

Mr Hobbs: Robot man!

Mr FRASER: Give a kid a chance.

Mr SPEAKER: Member for Warrego, personal abuse across the chamber is unparliamentary and I ask you to withdraw.

Mr Hobbs: I certainly withdraw, Mr Speaker.

Mr FRASER: Councils of their own volition engaged the Queensland Treasury Corporation to assess their financial sustainability. Not all councils participated in this voluntary assessment but a clear majority were participating, albeit with different enthusiasm. When the government received advice from the Queensland Treasury Corporation that 43 per cent of assessed councils were classified as weak, very weak or financially distressed, we acted to provide the leadership to achieve reform. Last Friday the Premier and I released the list of councils provided in that advice and incorporated in the reform document that we released on 17 April. I tabled the full advice in the parliament last month, and today I table the latest advice from the Queensland Treasury Corporation and repeat my call to all mayors and councils around Queensland to release in full the full financial data that they hold.

Tabled paper: Report by Queensland Treasury Corporation, dated 21 May 2007, titled 'Updated Interim Report—Financial Sustainability Review of Local Governments in Queensland'

Further work by QTC now indicates that, while there were 28 weak councils, 10 very weak and two distressed councils as at 17 April, the latest advice indicates this number has slightly increased to 28 weak councils, 11 very weak and two distressed councils. The analysis is now complete for 105 councils, with some reclassification work also completed. Two councils have had their original classification further downgraded—Duarina from moderate to weak and Woocoo from weak to very weak. Eidsvold has been reclassified from very weak to weak and three councils have been upgraded to moderate—Chinchilla, Diamantina and Miriam Vale. These reclassifications are a result of further information provided from each of the councils. With 41 councils in the weak, very weak or distressed categories and just 12 categorised as strong or very strong, the case for change is and remains compelling.

As the Premier outlined this morning, sensible reform must be achieved, and that means reform which takes account of the interests of local government employees. As the Premier announced, we will legislate to protect the jobs of all local government employees, apart from CEOs and senior executives, through to 15 March 2010. Next month's state budget will include \$12 million to support the transition and support local government employees through the reform process. This money will support the employment of interim CEOs for new councils, assist with the management of the change to new arrangements for employees, and support the provision of VERs as a last resort and where an employee wishes to retire early. These arrangements will be supported by a local government transition code of practice that is being

drafted with the participation of the LGAQ, LGMA, unions and other stakeholders represented on the statewide transition committee constituted to provide me with high-level advice about the implementation process. With this announcement the government demonstrates unquestionably that we have the interests of local government employees at heart.