



Speech by

Hon. Andrew Fraser

MEMBER FOR MOUNT COOT-THA

Hansard Tuesday, 7 August 2007

LOCAL GOVERNMENT REFORM IMPLEMENTATION BILL

Second Reading

Hon. AP FRASER (Mount Coot-tha—ALP) (Minister for Local Government, Planning and Sport) (3.33 pm): I move—

That the bill be now read a second time.

The bill I present today will position Queensland councils to manage the challenges of a growing Queensland. In April, the Beattie government made one of the most difficult but absolutely critical decisions of recent history in forging ahead with an across-the-board reform of Queensland's local government system.

This program of reform was launched because it is the right thing to do. We must build stronger and more sustainable councils for a stronger Queensland, to cope with our nation-leading growth. We must do the right thing because to do otherwise—to do nothing—is not an option. The bill I present today does exactly that. It does the right thing.

We can no longer continue to operate local government within boundaries which were established in a very different Queensland—a Queensland of more than a century ago when the journey between Mackay and Townsville took several days and the trip from Brisbane to the Gold Coast took a day; a time before the advent of contemporary communications; a time before the advent of modern transportation; in short, a time before Queensland was the go-ahead, vital leader of the nation in terms of economic growth, population growth and innovation.

The Beattie government established the independent Local Government Reform Commission as a genuine, legitimate, transparent and open mechanism to achieve the sensible and timely reform required. Ultimately, that is what has occurred. The reform commission has recommended structural change that presents us with a local government network for the Queensland of the new millennium. It is a blueprint for the future.

The reform commission has presented us with recommendations that usher local government into a new era—a modern era—to ensure it is able to keep pace with Queensland's continually evolving status as the national powerhouse. This is a passionate issue. People are—in some areas—understandably nervous and passionate because this involves change and change can be difficult.

This was not a decision that was entered into with blinkered eyes—we fully anticipated that this would not be a popular decision with every single shire. Human nature would not allow that. But, similarly, it was not a reluctant decision. It is a bold step for any government to take. This decision-making process has been the catalyst for passionate protest in some areas. I have personally fronted many crowds across the state in recent months. But the government is also equally passionate about taking an antiquated, unsustainable, unnecessarily out-of-step system of local government and transitioning it into the modern Queensland. The reform this bill implements is absolutely critical.

We are privileged to live in Australia's go-ahead state. Everybody, it seems, wants to live here. Every week our population swells by 1,500 and 1,100 of those people flood our borders either from other states or from overseas. But what each of these ratepayers—the established ratepayers, new residents and ratepayers of the future—are asked to live with is a network of councils from Pine Rivers to Port Douglas, Cooloola to Cairns that has for far too long remained entrenched in history. It is not good enough that we expect ratepayers to reside in the nation's fastest growing state with a tired system of local government.

Our century-old council boundaries have meant many of our councils are unable to guarantee their ratepayers the service and infrastructure they require and deserve into the future. These boundaries have meant that many councils have, possibly through no particular fault of their own, become unsustainable because the system is unsustainable. If we were to simply turn a blind eye and remain in the status quo, two, three or five years from now it is a certainty that several would simply run out of steam and plunge into a financial neverland. Then—when we were to reach this avoidable situation—jobs would be lost, basic but essential services would be compromised, millions of dollars would have been lost.

Both privately and publicly mayors the length and width of Queensland have spoken to me about the need for reform—the need to haul Queensland out of the previous century. Local government itself wants reform. That is why local government itself instigated the voluntary reform program almost two years ago. However, it was obvious—dramatically obvious—that very little was going to happen.

Discussing the future and actually preparing for it—by adopting ideas instead of talking about them—are two very different things. That is why the government stepped in to take leadership to establish the reform commission to investigate amalgamations of councils where they should occur at this pivotal point, at this crossroads at which local government finds itself. The Australian Local Government Association itself commissioned PricewaterhouseCoopers to review councils throughout the nation. That study found between 25 and 40 per cent were in an untenable financial position and unable to guarantee funding for vital infrastructure into the future.

The Queensland Treasury Corporation's review of the finances of the majority of those councils which had been involved in Size, Shape, Sustainability found more than 40 per cent were in a weak financial position or worse—by their own admission, by materials they prepared and they provided for review. Additionally, the Queensland Auditor-General's annual report into the finances of councils for 2005-06 showed 59 Queensland councils had audit issues in the moderate or high-risk categories. The report also showed that long-term viability remains a significant issue for the local government sector with an aggregate deficit of \$290 million for 68 councils in that period.

The Auditor-General's latest annual report into the financial status of Aboriginal and Torres Strait Islander councils is similarly not encouraging. It shows nearly two-thirds of the state's 32 Aboriginal and Torres Strait Islander councils were given an unacceptable financial rating and it is clear from this latest report that these councils, and more importantly the members of the communities that they serve, face an extremely uncertain future if their financial situations are not addressed. It shows there are a significant number of councils that have failed to show tangible improvement in governance, financial performance, timeliness and quality of financial reporting, debt management, the management of commercial activities and basic record keeping.

Ratepayers across the state deserve to know this type of information in regard to the financial status of their councils just as they require and deserve reform. The reform commission has recommended that the number of councils in Queensland be reduced from 156 to 72, not including Brisbane city. This is a major and essential transformation and the bill provides for the implementation of this recommendation.

The recommendations include sweeping, essential and historic change to coastal Queensland—to the Fraser Coast, Burnett, Mackay and Whitsundays, the Sunshine Coast and the far north. They include critical, overdue change to the Torres Strait, to the Toowoomba region and to the resources corridor the length of the state's centre. Rockhampton will become a major regional local government and the twin cities of Townsville and Thuringowa will become one of the state's strongest local governments.

The recommendations leave largely untouched our western region. There are no boundary changes to 37 councils and no amalgamation of large western councils due to the Local Government Reform Commission's view that structural reform would not lead to any significant service delivery or capacity benefits. Electoral composition of councils reduces the number of councillors and mayors in Queensland from 1,250 to 526—a reduction of 724.

While the reform commission recommended all councils should—apart from the Northern Peninsula Area Regional Council and Torres Strait Island Regional Council, they propose—conduct their election on an undivided basis, the Queensland government recently announced that local governments will be able to conduct their elections on a divided or undivided basis. Based on the analysis of the responses from those councils, individuals and groups, the government has decided that 26 councils will conduct their 2008 elections on a divided basis. The bill provides for not only divisions for these councils but a clear process for the Electoral Commission to draw these divisions.

The agreement between state and national electoral commissions means that this legislation must be passed as a priority. The independent Electoral Commission will be able to draw boundaries for divisions, as was the request of these councils, before the 2008 election. These are recommendations the government is adopting wholesale—lock, stock and barrel. They will be overseen by an already established State Transition Committee and, in each of those areas affected by amalgamation, local transition committees will smooth the process. This will be—as it has often been throughout the reform commission's deliberations—an open and transparent process. The committees are constituted in this bill.

As promised, council workers will not lose their jobs. Only elected officials—mayors, councillors and CEOs—will be affected by the reforms this bill implements. The government, like the community, places great value on the 37,000 people who make their livelihood in the local government sector and we are determined that they will continue to work in local government.

This bill includes provision for a local government workforce transitional code of practice. The staff support package guarantees job security through to 2011. It also includes provisions for honouring of contracts, retraining, support and no net loss of jobs across the sector. In consultation with unions we will also address the issues of retaining jobs where employees currently work. Further, we are proceeding on the basis that this government will do everything in its power to ensure that council workforces are considered as local government employees and not constitutional corporations and therefore not subject to the Howard government's laws.

The state transition committee is charged with guiding and supporting local transition committees and interim CEOs up until the 2008 elections. The director-general of the department of local government and planning will act as arbiter and be empowered to intervene where necessary. As minister, I will be given intervention powers to ensure that the integrity and schedule of local government reform is not jeopardised. In order to assist the transition of existing councils to new arrangements and to ensure the integrity of the electoral process to establish new local governments, the Electoral Commission of Queensland will conduct the 2008 quadrennial local government elections.

The bill also provides for a Local Government Remuneration Tribunal that will bring Queensland into line with other states which have moved to the use of an independent body to determine remuneration for local government elected officials. The remuneration tribunal will be established to determine the remuneration levels of local government elected officials. This will divest councils of the responsibility for setting fees for councillors and mayors. The establishment of a tribunal brings local government in line with the Commonwealth government, which uses a remuneration tribunal to set allowances and salaries for senators and members of the federal parliament.

The bill also contains provisions to ensure councils must not conduct a poll in relation to any reform matters. The provisions also ensure that, if polls are undertaken, the cost of the poll may be recovered from elected representatives responsible for organising the poll. This will act as a significant deterrent so that ratepayers' funds are not wasted. There is also the option of a fine upon an individual councillor which will be payable to the relevant local government.

Additionally, the bill aligns the separate systems regarding local law reviews and consolidates the review periods to ease the pressure on local governments during the transition period and assist new local governments rationalise their local laws following structural change. The redundancy review of local laws and the review of anti-competitive provisions within local laws are now scheduled for 2010 under this bill.

The bill I present today will also be complemented by further legislation to ensure the planning initiatives of areas with a unique combination of significant growth and iconic features can be protected into the future.

Vital new council boundaries are to be in place by the next scheduled local government elections for 15 March next year; otherwise Queensland will be lumbered with the same system of local government for another four years and the consequences of that would be not only dire but unacceptable.

I acknowledge that these are difficult times but future times would surely be even more arduous under our old system of local government. Under the new system that will be adopted I am confident the new character, the new shape of local government in this state, is the right one. It is a new system for a new Queensland. It is a system which will take us forward. It is a stronger system. It is a system which will ensure each and every Queensland ratepayer is able to garner the absolute best from stronger councils—each and every council in each and every corner of this great state. This builds stronger councils for the growing state of Queensland. I commend the bill to the House.