



Speech by  
**Jeff Seeney**

**MEMBER FOR CALLIDE**

Hansard Wednesday, 23 May 2007

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## **LOCAL GOVERNMENT REFORM**

**Mr SEENEY** (Callide—NPA) (Leader of the Opposition) (5.31 pm): I move—

That this Parliament ensures:

- Councils can go to the next Local Government Elections in March 2008 on their present boundaries;
- the reinstatement of the Size Shape and Sustainability process including a new Regional Representative Commission to oversee its completion during the next Council term; and
- that referendums of affected Local Government Areas be held to allow the people to accept or reject the recommendations of the Commission.

The issue of forced local government amalgamations has occupied the time of this parliament for two days now. It has certainly occupied the time of local councils throughout Queensland for far too long. Since this announcement was made local governments have been diverted from their core activities to fight what they quite rightly recognise as a very grave threat to their communities. It is time for this parliament to allow local government to get on with the work that they need to do—the work that they have not been able to do in recent weeks as they have responded to the threat to their futures and the threat to their communities.

The level of anger, frustration and hurt right across regional Queensland is something that I have never seen before, and I have been involved in protest movements about a whole range of different issues over the years. But there is a tidal wave of anger and revolt sweeping regional Queensland. In that sort of atmosphere we are never going to get a satisfactory result. We are never going to get a result that will allow those communities to move on.

What this motion seeks to do is to put some time between where we are now—that is, between the horrific situation that has been engineered by the minister and the Premier—and allow local governments to focus on their role until after the next election. The local government boundaries have been in place for over 100 years, as the Premier is fond of saying. There is no calamitous event that is going to occur in the next two years that requires the type of urgent action that is currently facing local government in Queensland.

The time frame that has been put in place has been justified, somewhat unsuccessfully I believe, by the Premier's continual claim that somehow or other there is a financial collapse pending in local government. Nothing could be further from the truth, as we have illustrated in this parliament in question time today and yesterday. It is simply not true to suggest that there is an imminent financial collapse in local government. There are certainly issues that need to be dealt with in local government but they are long-term issues. As I have illustrated over the last couple of days, they are issues that can be dealt with over a period of time and will allow local governments to have a say in their own futures and allow local governments to participate in the decision-making process as they were with the Size, Shape and Sustainability process.

The issue that has been so misused by the Premier and government is the Queensland Treasury Corporation's financial sustainability review which listed the councils in a league table almost and somehow gave the impression that the councils that were listed as weak and very weak were at the point

of imminent collapse. That is the great falsehood that the Premier especially has been peddling over recent weeks.

Anyone who reads that document with any sort of attempt to understand the detail of it cannot escape the fact that the issues that the QTC has identified are not short-term issues. They are long-term issues. They are issues that have revolved around the valuation of long-term assets, the replacement of those long-term assets and the way the depreciation of those assets is accounted for.

The QTC does not expect us to come to that conclusion ourselves. In the document it sets it out very clearly. I have quoted it a number of times in this parliament. It is worth quoting again. The QTC said when it was talking about ratings given to councils—

In most cases a significant factor influencing these results seems to be issues relating to the calculation of depreciation charges, including the appropriateness of the useful life estimates, valuation of estimates and residual value estimates. The impact of depreciation is a major issue which the local government industry needs to resolve.

They are the facts. Those of us who were in local government years ago when accrual accounting was introduced recognised that the depreciation requirements under accrual accounting were always going to unfairly skew the financial statements of local governments over time, and so they have. The financial statements have been skewed by the requirement that local governments have to fund the depreciation of long-term non-current assets. It is a requirement that is imposed on local government that the state government does not impose on itself.

It skews the financial documents over time. The Premier has seized on that misrepresentation in those financial documents to implement what is a politically driven exercise to attack local government. He has peddled this falsehood that there is somehow a pending financial collapse. There is not. This issue has to be dealt with. The issue of depreciation and how long-term assets are replaced is an issue that can be dealt with over five, 10 or 15 years. It does not have to be dealt with in five, 10 or 15 days as the current government is insisting.

There is absolutely no reason local government cannot go to the next election on the boundaries that have sufficed for the last 100 years and return to the process which they had in place. The Triple S process was a voluntary process. Local governments participated in the determination of their own sustainability. They looked at these issues and they were prepared to address the issues. The process can quite easily be reconstituted.

I believe that there probably can be a role for a commission if the government wants to maintain the commission that it has set up, but that commission should work hand in hand with local government and it should work hand in hand with the Triple S process and come to an agreement in a period of time between the 2008 election and the subsequent election. There is no reason why that cannot happen. There is no panic. There is no rush about these issues because they are issues that revolve around those long-term depreciation issues, not the short-term financial impending collapse that the minister and the Premier have tried to portray in this parliament.

The last element of this motion that I have moved tonight is also important. It was an element that was previously in the Local Government Act until it was removed by the current government. It ensures that if there is going to be a change in local government boundaries the people who are affected by that have the right to have a say—that they have a right to participate in a referendum to decide that that is the form of local government that will best suit them. If the new local government cannot convince the people within its areas that it can make life better for them and their communities, then there is no reason to constitute it, because that is what local government is about. It is about making life better for the people in those communities that it serves. It should easily be able to carry the majority of people with it if the new boundaries are likely to produce that better outcome.

But this debate has been characterised by dishonesty—an enormous amount of dishonesty and an enormous amount of misinformation—and we have seen it here in the parliament. First of all there was the claim that somehow local government is on the point of financial collapse. Then there were claims by the Premier that local government mayors and councillors are somehow bloated politicians who are taking advantage of their communities. As I have said before in this place, that is one of the most offensive claims that can ever be made against a group of people who have worked for five, 10, 15 or 20 years in some cases for the benefit of their communities. They deserve the opportunity to have a say—have a role—in determining the future of their community. This motion that I have moved tonight will certainly give them that opportunity. Local government certainly does not need the interference of a state government that has failed in its area of administration. The Beattie government has failed in almost every core area of its responsibility. It should leave local government to manage its own affairs.