



Speech by

## Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

Hansard Wednesday, 18 April 2007

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### MINISTERIAL STATEMENT

#### Local Government Reform

**Hon. PD BEATTIE** (Brisbane Central—ALP) (Premier and Minister for Trade) (9.37 am): I have been heartened by the strong response to our proposed reforms to the local government system. Many mayors and councillors have put parochial interests aside and have indicated that they are prepared to work with us. I encourage all mayors to put Queensland and its ratepayers first and work with the independent commissioners. Let us look at who has been supportive so far: the lord mayor has been supportive, and I thank him for that; the mayor of Gladstone; the mayor of Rockhampton; the mayor of Cairns; the mayor of Dalby; the mayor of Logan; the mayor of Ipswich; and the mayor of Gold Coast. We can also add to the list the mayor of Maryborough; the mayor of Hervey Bay; the mayor of Caloundra; the mayor of Maroochy; the mayor of Mount Isa; and the mayor of Redcliffe.

**Mr Pearce:** The mayor of Mount Morgan.

**Mr BEATTIE:** I take that interjection. Later this morning the minister for local government, Andrew Fraser, and I will meet with six of the seven Local Government Reform Commission members. Unfortunately, Tom Pyne cannot make it down from Cairns in time but he will be fully briefed after the meeting. The minister and I will discuss the terms of reference for the commission and the broader issues faced with such a major reform to our system of local government.

A core component of the Size, Shape and Sustainability review was 10-year financial sustainability forecasts prepared by the Queensland Treasury Corporation. The reviews assessed the capacity of each local government to meet its community commitments in the short, medium and long term.

The reviews provided local government with insight into the financial health of each individual council in the present and over a 10-year horizon. Alarming, the QTC reviews rated 43 per cent of Queensland councils as having a weak or worse financial outlook. While these findings do not include Aboriginal and Torres Strait Islander councils, on page 22 of the report I tabled yesterday it notes that the Auditor-General has found that these councils have an 'unacceptable level of audit qualification' and 'over time 50 per cent of all councils' annual financial statements have been qualified'.

These findings are simply not sustainable—not for good governance and certainly not for ratepayers. I am not blaming councils. They are operating in a system that is more than 100 years old. Many are faced with shrinking rate bases and a limited capacity to deliver proper services. The reality is that larger councils have the financial and resource foundations to deliver more and better services for communities. Stronger councils are better placed to ensure council revenues are returned to the community in the form of services and infrastructure, rather than absorbed by costly administration which is duplicated from council to council.

That is why we are undertaking this reform process. I am under no illusions and neither is the minister nor my government—it will not be easy. It will involve amalgamations and boundary changes. It will be politically difficult, but it is the right thing to do. That is why we have chosen an experienced and balanced team to undertake this difficult process. Combined they have more than 100 years experience in

government. I am confident they can help us deliver a more modern and efficient system of local government to better serve the ratepayers of Queensland.

The minister produced a report which I tabled in the House yesterday and which all members should have had an opportunity to look at it. It is titled *Local government reform: a new chapter for local government in Queensland*. I draw the attention of the House to a number of graphs in that report, including the one on page 5 entitled 'Grants from all states to local governments: analysis of grants paid in 2003-04'. Members will see that, with the exception of the Northern Territory, Queensland has the highest funding per capita to local government of any state in Australia. Why is that? Because we are committed—

**Mr Hobbs** interjected.

**Mr BEATTIE:** It is 'funding per capita'. That means funding per head. Let us go through it.

**Mr Hobbs:** Have a look at Victoria, you dill.

**Mr SPEAKER:** I did not hear that remark, I am sorry.

**Mr BEATTIE:** Mr Speaker, I did, but he is hardly worthy of consideration. Let us deal with this issue. Let us deal with the councils. Let us deal with the issues, not the politics being played here.

Let us look at grants from all states to local governments, which is an important analysis. Let us look at how much they contribute. This is funding per capita. I think most people understand what that means, and I will ask for the opposition spokesman to be briefed later on what it means. If we go through each one of these, we see that funding per capita for New South Wales is \$34.30; Victoria, \$65.20; Western Australia, \$83.90; South Australia, \$31; Tasmania, \$25.30. I have provided the figures for the other large states. Ours is \$88.50. We are the highest in Australia. In terms of other states, you need to be aware, Mr Speaker, as I am sure you are, that Western Australia is restructuring at the present time and so is the Northern Territory. So these restructures are being done but, with the exception of the Northern Territory, we have the highest funding per capita in Australia.

It is not unreasonable for us to simply indicate that ratepayers are entitled to get value for money. When we have 43 per cent of councils in the category I indicated before, that shows that the state government is funding and doing more than our fair share, but we also expect that to result in better services for councils and better opportunities for the community to benefit from the services provided.

If we then go to page 25 of the minister's report, which is 'Grants from all states to local governments: analysis of the grants paid in 2003-04', we will again see how we compare and we will see that we have the highest funding. I draw the attention of members to page 34 of that document which lists the benefits of reform to Queenslanders. These are the benefits, and I acknowledge the succinct way this has been put by the minister and his department.

Here are the benefits: financially strong councils, better roads and infrastructure, better planning outcomes, more capability and capacity, a focus on communities, better business practices, a bigger picture approach to local government and reduced duplication. The list includes more detail than that, but I urge those members who are serious about this reform area to read the document because I think it puts forward a compelling case for the major reforms that were outlined by the government yesterday and which we will be implementing.

I say to all local governments that I understand this is not easy. I understand that people will have their concerns but this is the way forward. I urge everybody to put aside their partisan considerations or self-interest and think about Queensland.

**Mr SPEAKER:** Premier, some members have asked me whether that report you quoted from today and that the minister quoted from yesterday is available to members.

**Mr BEATTIE:** Yes, Mr Speaker. I tabled it—

**Mr SPEAKER:** It has not been tabled as yet.

**Mr BEATTIE:** I tabled it yesterday. I will ask the minister to ensure that copies are provided to every member, but I tabled it yesterday.