



Speech by

**Rachel Nolan**

**MEMBER FOR IPSWICH**

Hansard Tuesday, 22 May 2007

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## **LOCAL GOVERNMENT REFORM**

**Ms NOLAN** (Ipswich—ALP) (12.27 pm): I stand before the House as the member for Ipswich—an electorate which sits entirely within the Ipswich local government area, a council that was successfully amalgamated with Moreton in 1994 and which has been moving forward progressively, optimistically and efficiently ever since. As such, angst about local government reform bemuses me to an extent. Since the state government announced on 17 April that we were to establish a commission to determine council boundaries independently, just as happens for state and federal electorate boundaries, one of the real questions that has arisen is just what can possibly explain the utter hysteria of the Local Government Association of Queensland's response.

Why is it that when the mayors of Brisbane, Ipswich, Gladstone, Rockhampton, Cairns, Dalby, Logan, Caloundra, Maryborough, Mount Isa, Redcliffe and Hervey Bay have supported the move, describing it as everything from essential to visionary, the LGAQ has described it as a betrayal? Why is it that when the Queensland Treasury Corporation evidence shows in black and white that 40 per cent of councils are in a weak, very weak or financially distressed situation the LGAQ describes the exercise as one of deceit? And why is it that, when the LGAQ has itself for more than two years openly acknowledged the need for reform, now it is happening it puts its hand on its heart and talks about its deep sense of loss?

The answer to that question lies in the most reliable of all motives: pure unadulterated self-interest. Page 7 of the LGAQ submission gives us the key. There under the self-congratulatory heading of 'leadership' the LGAQ tells us—

... the Association in response to market failure has supported its members through the establishment of key business initiatives. These include: Local government Mutual (insurance and risk management), Local government Workcare (workers compensation), Local Buy (procurement), Resolute IT, Local Government Infrastructure Services Corporation (infrastructure project advice and management) and Queensland Partnerships Group—Shared Services (business transactional services).

So what is this market failure of which the LGAQ speaks? Is it the case that a reasonably sized organisation, such as the Ipswich, Rockhampton or Toowoomba councils, finds the market unable to respond to its needs for IT, insurance or professional advice on project management? No. Is it the case that such organisations lack the critical mass or expertise to do these things themselves? Of course it is not. Strong and sustainable councils are players in the market. In contrast, the LGAQ has set up business services—indeed a profitable cash cow for itself—out of providing services to those councils which are not big enough.

The LGAQ is an organisation with a proud history. Established in 1896, its self-described objectives are the promotion of members' interests, ensuring efficiency, dealing with government on legislative reform and providing counsel to members. At no point does the Local Government Association's history or its own mission describe as central this service provision role. The issue here is that the Local Government Association of Queensland has built its own empire, feeding a bloated bureaucracy out of the proceeds of local government weakness and failure. The LGAQ has made a cash cow out of charging councils that are too small to fend for themselves for the provision of services such as IT and procurement. For the LGAQ unsustainable and financially weak councils have become a monopoly based revenue stream. That is what

explains the LGAQ's political decision to react hysterically to a reform process wholeheartedly praised by the association's biggest, most professional and most prominent members.

As Queenslanders watch this debate I am sure they have cottoned on to the self-interest implicit in the screaming of some of the 1,200 mayors and councillors set to lose the titles and perks they get from representing, in some cases, as few as 500 people. Self-interest, not community interest, is the defining characteristic of this debate. What Queenslanders should now realise is that the Local Government Association of Queensland, which likes to tell us that it is an historic, apolitical group fighting for democracy, is in fact just as bad.