




Speech By
Brittany Lauga

MEMBER FOR KEPPEL

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INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES COMMITTEE

Report, Motion to take note

 **Mrs LAUGA** (Keppel—ALP) (3.02 pm): I rise to speak to the Queensland Audit Office report to parliament No. 16 of 2014-15 with regard to local government entities. Before I begin, I acknowledge my fellow committee members of the Infrastructure, Planning and Natural Resources Committee. I have really enjoyed being an active member of the Infrastructure, Planning and Natural Resources Committee, and I really enjoy working side by side with the member for Mirani, as chair; the deputy chair, the member for Burleigh; the member for Gladstone—who has left us to go to another committee, but we really enjoyed the contributions he made to the committee—the member for Dalrymple, Mr Shane Knuth; and the wonderful member for Gregory, Mr Lachlan Millar. I would also like to acknowledge the excellent secretariat that our committee has: Erin Paisley, who was our research director but who has left us to go to bigger and better places; Margaret Telford, the principal research officer; Mary Westcott and Marion O'Connor.

We are here to talk about the Queensland Audit Office report to parliament with regard to local government entities, and I have to echo the comments of the member for Mirani when he talked about the importance of transparency in local government, particularly with regard to local government financial reporting.

The Queensland Audit Office report to parliament No. 16 was tabled in the Legislative Assembly and referred to the committee for consideration. On 28 October the committee held a public briefing with officers of the Queensland Audit Office. Following the briefing, the committee followed up with the Department of Infrastructure, Local Government and Planning in relation to the implementation of the report's recommendations, and the department kindly provided a response to the briefing that we had with the Audit Office. That is in the appendix to the report. It was really useful to follow up with the department. I thought that was a valuable exercise for the committee to undertake.

The Audit Office report stated that there are many significant financial reporting risks and issues that were common across the local government sector. These are quite concerning. The issues related to asset management, deamalgamations, deficiencies in contract management, processes for monitoring supply of performance, and procurement and contracting practices. The Audit Office report suggested that the benefits of robust asset management are not clearly understood across the sector. That is quite concerning considering the local government sector manages \$72 billion worth of infrastructure assets. When the Audit Office is recognising that robust asset management principles are not in practice, it is quite concerning for me as a state member but also for me as a ratepayer.

It was pleasing to see that the Department of Infrastructure, Local Government and Planning has been undertaking a number of sessions around the state for candidates of local government elections who are intending to contest the 2016 local government elections. For those sessions, the purpose was to highlight the roles and responsibilities of councillors including the obligations of councillors to ensure that local government and community assets are managed sustainably. It was really pleasing to hear that the department is doing some ongoing work in that space so that local government, councillors and those contesting council elections have a good understanding of the importance of asset management and their financial responsibilities.

The internal control frameworks outlined in the Queensland Audit Office report were also quite concerning. The Audit Office reported 565 significant control weaknesses to management in local government. Whilst this is a reduction on last year's number, there are still nine unfinished audits at the time the report was completed. The Auditor-General provides an opinion on whether the statement has been calculated correctly. The report essentially identified that a number of councils continue to experience delays in finalising supporting documentation. I think the Audit Office report is an important one for local government and its findings should be taken seriously.