




Speech By
Michael Hart

MEMBER FOR BURLEIGH

Record of Proceedings, 17 March 2016

INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES COMMITTEE

Report, Motion to take note

 **Mr HART** (Burleigh—LNP) (12.55 pm): I also rise to speak about the Auditor-General's local government entities report. I attended the briefing that the Auditor-General gave every member of parliament last year on this particular audit. I was very interested to see the program that the Auditor-General's office is using to highlight the issues that are appearing in our local governments. They have a traffic light situation. They put all the data into a program and that produces a traffic light indication to local government and to anybody who wants to have a look at their website as to how the local government is travelling. If there is a red traffic light then obviously there is an issue. If there is a green one it is travelling okay. If there is an orange one then it might need a bit of an eye kept on it. I congratulate them on the process they have in place because it makes it very easy for people to check that system out and to get an idea really quickly which councils we may need to keep a bit of an eye on.

In relation to the financial audits of the local governments, there are 182 entities, which include 77 councils and 105 entities that they control. Only 154 entities are required to prepare financial statements and the other entities are classified as non-reporting under the accounting standards. In 2013-14 one council received a qualified audit opinion, which represents an improved understanding of accounting requirements. One of the key things that we are seeing is that councils are realising what their responsibilities are in keeping control of their assets, finances, debts and so on and they are actually getting better at it.

It is very important, and I think the Auditor-General has hit the nail on the head, that we have proper training for our councillors and our council staff to ensure that they know what the important things are that they need to keep an eye on. They are, in fact, doing that. It is good to see that once the Department of Infrastructure, Local Government and Planning received this report they acknowledged that they need to do a little bit more in that area: get out and train some of the councillors. In fact, this year they started running a program where they were giving instruction to council candidates so that we had people who were standing for council who had a bit of an idea of what they may need to do when they got in there. That is good.

The other issue I wanted to talk about was the timeliness of financial statements. That is an issue that is highlighted in the Auditor-General's report. The Auditor-General needs to have all the audits completed by 31 October and negotiates a time with individual councils as to when they should provide their financial statements to them. There were 17 councils that did not meet the legislative deadline for the second year in a row, which is not good to see at all, and eight councils that missed their deadline and have missed it for the last three years. There is obviously a problem there and the department needs to keep an eye on those particular councils.

The committee did acknowledge that timely and accurate financial reporting is of the utmost importance and that ultimately councils are accountable to their communities for that. We see more and more people taking an interest in what is happening inside their councils as far as financial control goes. Being a member from the Gold Coast I know that the council there has a budget of about \$1 billion a year. It is very important to me as a ratepayer of the Gold Coast that the council spends that money in a good fashion and gets results for that money.

I think that there is an opportunity here for the Labor government to look at doing exactly the same thing: be careful about the money that it spends and get a good result from it.