




Speech By  
**Linus Power**

**MEMBER FOR LOGAN**

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## **LOCAL GOVERNMENT LEGISLATION (VALIDATION OF RATES AND CHARGES) AMENDMENT BILL**

 **Mr POWER** (Logan—ALP) (11.48 am): Local government plays an important role in Queensland. To provide those services, the raising of funds through the levying of rates on residents and local businesses is vital. The Local Government Act 2009 seeks this to be done transparently and publically and requires councillors to make an express resolution at the local government's budget meeting for the financial year.

Section 94(2) of the Local Government Act 2009 and section 96(2) of the City of Brisbane Act 2010 provide that a local government must decide, by resolution at the local government's budget meeting for the financial year, what rates and charges are to be levied for that financial year. However, it has come to the attention of the government through a court case that some local governments may not have followed the process as required by the act. On 6 November 2017, the Supreme Court found that in 2015, 2016 and 2017 the Fraser Coast Regional Council had failed to validly make and levy rates and charges because it did not have a separate resolution for the decision to impose rates and charges as required by section 94(2).

The council in question had passed a budget but that was ruled not to be sufficient to fulfil the relevant section of the act. At that time it was also possible that other local governments had similarly failed to make separate resolutions for both the budget and rates. This is an important part of the act as it makes it transparently clear for ratepayers the rates that they are to be charged in the coming year. An audit of councils identified 25 councils across Queensland that had failed to fulfil the requirement of the act, and this creates a wider problem for a number of councils. Without state government action to rectify this problem, local governments might be left with a difficult and extensive problem which would impact on the proper running of councils.

For this purpose, the government put forward the Local Government Legislation (Validation of Rates and Charges) Amendment Bill 2018. The policy objectives set forward in the briefing were to amend the City of Brisbane Act 2010 and the Local Government Act 2009 to validate rates and charges made and levied or to be levied by a local government for a financial year up to and including the financial year ending 30 June 2018 without an express resolution at the local government's budget meeting for the financial year; to apply the validating provisions to rates and charges to repealed local government acts; and to declare that anything done, or to be done, in relation to the rate or charge is valid, as it would be if the local government had decided to levy the rate or charge by separate resolution at the local government's budget meeting.

The department informed us that it had engaged in consultation by consulting the Local Government Association of Queensland and the Brisbane City Council and that both organisations supported the policy objectives of the bill. The bill was referred to the committee on 15 February. During the period of examination of the bill, the committee invited the public, identified stakeholders and subscribers to make submissions. This invitation to make submissions was made to a wider group of stakeholders via the committee's website.

During this process only one stakeholder—the LGAQ—sought to make a submission and that submission was published on the committee’s website. None of the 25 councils identified as having a legal problem made a submission. They instead relied on the submission of their peak organisation, the LGAQ. The Local Government Association of Queensland affirmed in their submission that they had been consulted and that they supported the bill. Their submission states—

The LGAQ is of the view that the proposed amendments are adequate and appropriate to reverse the possible impacts of the Supreme Court of Queensland decision, for Fraser Coast Regional Council and all other councils that have not passed rating resolutions in accordance with section 94(2) of the Local Government Act 2009.

Further, the committee asked for and received a public briefing from the Department of Local Government, Racing and Multicultural Affairs on 5 March. A transcript of the public briefing is available on the Economics and Governance Committee’s website. I thank the department for their hard work on these issues and the presentation they gave to the committee during the process of examining the bill. When it comes to bills like this that have wide acceptance, we can easily forget that for the public servants involved there is just as much work to ensure that the bill is properly constructed, covering all circumstances to ensure that the bill meets the objectives. The fact that this bill was so broadly accepted by the LGAQ and the councils of Queensland, including the 25 councils identified as potentially having a problem, is a credit to their hard work and diligence.

After this process of consultation, the committee met and made the recommendation that the bill be passed by the House. Further, there was no statement of reservations or dissenting report. I thank the members of the committee including the deputy chair, the member for Mermaid Beach, who is a fine deputy chair—

**Mr Stevens:** Hear, hear!

**Mr POWER:** Many do think that he should be Leader of the Opposition, but I will leave that for another time. I also thank the member for Ninderry, the member for Pine Rivers, the member for Bonney and the member for Redlands. Members on the committee had concerns that councils in the future might continue to not properly follow the Local Government Act. To this end, the committee recommended—

... that the Department of Local Government, Racing and Multicultural Affairs monitor how local governments are levying their rates and charges over the next two financial years, 2018/19 and 2019/20, to ensure local governments are aware of the proper processes and are complying with the statutory requirements.

The member for Warrego may have missed a direct reference by the minister to that in his speech. There is no need to wait for the minister’s reply, although he might restate it at that point for the benefit of those in the House who did not listen to what he said.

Committee members felt that, although we are passing the bill to ensure the financial stability of local government, it is not a catch-all or a signal for councils to not carefully follow the Local Government Act in its entirety. I note from the submission of the Local Government Association of Queensland that it wants to assist the department with this task. In the LGAQ submission Greg Hallam, the CEO, stated—

The LGAQ is assisting councils to ensure future council rating resolutions comply fully with said provision.

He further states—

The Association is in the process of preparing template best practice rating and budget resolutions which will be made available to all councils and will hold a Ratings Masterclass at a date to be determined in April or May.

I note that the minister has been following up on that process and mentioned that it is on 5 April.

The LGAQ knows how important following the Local Government Act is to the proper function of local government in our state, and I recognise its commitment to improving compliance with the act. I was somewhat disappointed that we received no submissions from any local government stating that they had renewed their commitment to compliance with the act through improved internal processes. I urge local governments to actively work with the department and the LGAQ to ensure better compliance so that we do not have to return to this place to ensure the stability of local government finances in Queensland. I note that they are a responsible level of government and that they wish to set high standards of compliance with the act and governance publicly, and we trust them to do that job. Therefore, we, with the department and LGAQ, will go forward in that manner. I note that the minister made mention of this and sees this as a very important part of compliance with the act.

Local governments have an important role in the provision of services and the planning of our state. It is vital that they fulfil their requirements as set out under the Local Government Act. The ratepayers of Queensland expect high standards of their local governments. They expect higher standards from this important level of government than the noncompliance we have seen with this section of the act. For the continued stability of budgets of local governments in Queensland, I urge members of the House to support this bill and commend it to the House.