



Speech by

Andrew Cripps

MEMBER FOR HINCHINBROOK

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LOCAL GOVERNMENT REFORM

Mr CRIPPS (Hinchinbrook—NPA) (12.08 pm): On Friday, 27 July 2007 the Local Government Reform Commission delivered its report to this state Labor government. Notwithstanding the deeply held objections and concerns that I have in relation to the process and manner in which this legislation has been implemented, it is clear that the new Premier and the new minister for local government are not willing to listen to the people of Queensland in many communities right across the state who have voiced their strong objections to these forced amalgamations and reconsider this destructive policy. As such, I turn to the circumstances and problems arising in relation to the recommendations of the Local Government Reform Commission with respect to the proposed amalgamation of the Johnstone shire council and the Cardwell shire council to form the Cassowary Coast Regional Council. I understand that the state Labor government maintains that the aim of this Local Government Reform Commission is to deliver a stronger, modern and financially viable local government system that has a greater ability to provide services and infrastructure for all Queenslanders. If this is indeed the stated aim of this reform process, then with respect to the creation of the Cassowary Coast Regional Council it has been an unmitigated failure.

Both the Cardwell Shire Council and the Johnstone Shire Council were rated by the Queensland Treasury Corporation. The Cardwell Shire Council was rated as moderate and the Johnstone Shire Council was rated as financially distressed. The Local Government Reform Commission in its report stated that it was likely that the amalgamated local government would be rated no better than weak. The commission stated that the state government ought to give consideration to what assistance can be provided so that the amalgamated local government is not unnecessarily burdened with the old Johnstone Shire Council's debt. That was recommended by the Local Government Reform Commission itself. Since that report has been lodged there has been no concrete indication of what support will be provided to the Cassowary Coast Regional Council by the state government.

It is now apparent that the information used by the commission to formulate its recommendations was inaccurate. The commission listed the total operating revenue of the Johnstone shire in 2006 as \$46 million. However, this figure includes the \$23 million in natural disaster relief assistance payments following Tropical Cyclone Larry in March 2006 and it is not an accurate reflection of the normal annual operating revenue of the Johnstone shire. This distorts the real financial position of the Johnstone Shire Council and compromises the basis on which the Local Government Reform Commission formulated its recommendations.

The well-publicised infrastructure debt of the Johnstone Shire Council—that is, the forecasted necessary borrowings that are required to fund the basic infrastructure requirements of the Johnstone Shire Council over the next 10 years—is in the order of some \$184 million. Those are figures from the Johnstone Shire Council itself. The question is: what is this government going to do to address this situation? I am aware that the administrator of the Johnstone Shire Council and the mayor of the Cardwell Shire Council met with the former minister for local government, now the Treasurer, and that he gave an undertaking that the state government would support the new Cassowary Coast Regional Council but gave no specific commitments that have been put on the public record about the nature of that support.

It is not good enough for this state Labor government just to try to placate the residents and ratepayers of the Johnstone shire and the Cardwell shire with a wink and a nod and say, 'Don't worry, everything's going to be okay. We'll look after you.' That is unsatisfactory when it is clear that the newly amalgamated Cassowary Coast Regional Council is going to have some very difficult decisions to make in the near future. Those councillors who are successful in March next year will be under some serious pressure.

The new minister for local government has launched a media campaign calling for people interested in becoming local councillors to come forward. Those councillors ought to be given the courtesy by the state government of announcing exactly what the size and scope of the financial support to the Cassowary Coast Regional Council will be. It is not good enough just to offer verbal assurances that support will be forthcoming. There should be full disclosure from this state Labor government about what support there will be.

I call on the new minister for local government and the new Treasurer, who was formerly the local government minister, to publicly disclose their plan to ensure that residents, ratepayers and potential local candidates can have some certainty about what their future holds. This state Labor government imposed forced amalgamations on the Cardwell and Johnstone shires and it has a clear responsibility to ensure that these communities are not disadvantaged as a result.