



Local Government Regulatory Reforms

Key amendments currently under consideration

**Local Government Regulation 2012 (LGR); City of Brisbane Regulation (CBR);
Local Government Electoral Regulation 2012 (LGER)**

April 2019





Introduction

The Queensland Government is on a journey to reform the local government sector.

These reforms will strengthen the transparency, accountability and integrity of local government in Queensland. The government is committed to supporting local government and ensuring that public confidence and accountability is restored.

On the 5 March 2019, the Department released an information paper on the proposed reforms for consultation. A subsequent version of that information paper has also been released following further stakeholder consultation.

Further detail on the information paper can be found on the Department's website at <http://www.dlgrma.qld.gov.au/local-government-reform.html>.

In addition to the proposed reforms to the *Local Government Act 2009*, the Government is proposing to make amendments to Regulations to further improve council integrity, increase transparency, encourage diversity and ensure consistency in the local government system. The proposed amendments also reflect recommendations and suggestions received from the Queensland Audit Office, Queensland Law Society, Ombudsman and the Local Government Association of Queensland.

Proposed changes

Amendments to the Local Government Regulation 2012, City of Brisbane Regulation 2012 and Local Government Electoral Regulation 2012 are proposed to occur in multiple tranches during 2019 and will include consideration of:

- Tightening controls around the issues councils may discuss in closed meetings and ensure resolutions and minutes have enough information for the community to understand why councils have made decisions;
- Councils being required to consult with the community on their budgets;
- Strengthening the requirements on the use of council-controlled entities; and
- Publishing of Councillor registers of interest will also be standardised so that the community is better informed about potential conflicts of interests.

Engagement opportunities

The Queensland Government is committed to ensuring stakeholders are aware of these proposed changes and their impacts.

The Department of Local Government, Racing and Multicultural Affairs will be available to answer questions on 07 3452 6747 through a dedicated hotline, by email at lgreforms@dlgrma.qld.gov.au and other engagement opportunities. For more information go to <http://www.dlgrma.qld.gov.au/local-government-reform.html>



Regulatory reform principles

The proposed amendments in the regulatory reform are about integrity, transparency, diversity and consistency in local government.



Integrity

Ensuring current and future Councillors are fully informed about their obligations as candidates and Councillors. Councillors are required to uphold the highest levels of honesty and impartiality when making decisions in the public interest.



Transparency

Clarifying and strengthening requirements before, during and after an election to enable voters to better know who they are voting for and reduce corruption risks. It's also about the community understanding why councils make the decisions they do in in the public interest.



Diversity

Councils being representative of their communities and making it easier for potential candidates to nominate and campaign.



Consistency

Aligning local government election requirements with State and Federal electoral processes and aligning requirements between Brisbane City Council (BCC) and other local governments.

The icons are used throughout the document to indicate what reform principle/s aligns with each of the proposed amendments.



Tranche 1 - LGR and CBR amendments

The Local Government Legislation Amendment Regulation 2019 was notified on 29 March 2019.



National Competition Policy thresholds

Current	Post reform	Reasoning
<ul style="list-style-type: none"> • Councils must assess whether they have engaged in significant business activities or prescribed business activities. • Current thresholds for significant business activities are for: <ul style="list-style-type: none"> ○ a business activity providing combined water and sewerage services — \$13.96M ○ another business activity — \$9.35M • Current threshold for prescribed business activities is \$328,000 	<ul style="list-style-type: none"> • Councils must assess whether they have engaged in significant business activities or prescribed business activities • Proposed thresholds for significant business activities are for: <ul style="list-style-type: none"> ○ combined water and sewerage business activities will be number of premises (10,000 or more) connected to a water service as at 30 June of each financial year ○ another business activity — \$9.7M • Prescribed business activity thresholds will be increased to \$340,000. 	<ul style="list-style-type: none"> • Index thresholds in response to inflation • Changing to number of premises instead of dollar figure provides a more accurate reflection of the growth of a significant business activity combining water and sewerage activities.



Interest on overdue rates and charges

Current	Post reform	Reasoning
<p>Councils may impose an interest rate payable on overdue rates and charges of not more than 11%.</p>	<ul style="list-style-type: none"> • The maximum interest rate payable on overdue rates and charges will be the Reserve Bank of Australia bank bill yield rate plus 8 per cent. • Councils must set the maximum interest rate for a financial year as part of the annual budget process • Councils may impose a maximum interest rate that is lower than the prescribed maximum. 	<ul style="list-style-type: none"> • Provide a maximum interest rate that varies in accordance with market interest rates to reflect market conditions. • Ensure interest rate payable on overdue rates and charges are reviewed regularly.



Tranche 2 LGR, CBR and LGER amendments



Register of Interests

Current	Post reform	Reasoning
<ul style="list-style-type: none"> Councillors must notify of any changes to their interests within 30 days. 	<ul style="list-style-type: none"> Initial registration and annual confirmation of interests — as outlined in the <i>Local Government Reforms: Key amendments</i> document Changes to interests — Councillors must notify of any changes to their interests within 30 days Interests to be declared by Councillors include— <ul style="list-style-type: none"> being an officeholder of any organisation donations made by a Councillor Publication of registers of interest — only Councillors' current interests to be published on Council website (all previous registers must be retained in Council records). 	<ul style="list-style-type: none"> Align with the register of interest processes for State MPs Provide for greater clarity and consistency of reporting and reduce duplication and/or ambiguity Improve the quality and accessibility of published registers of interests.



Apologies and leave of absence

Current	Post reform	Reasoning
<ul style="list-style-type: none"> Councillor's office becomes vacant if the Councillor is absent from two or more consecutive ordinary meetings of the Local Government, unless they have the Local Government's leave. 	<ul style="list-style-type: none"> Councillor must notify the Council of an intended leave of absence. Council must decide whether or not to grant a leave of absence. Council can delegate the power to grant a leave of absence Council must record the decision. 	<ul style="list-style-type: none"> Enhance transparency around Councillors' absence from meetings Clarify the basis on which a Councillor's office becomes vacant due to their absence from meetings.



Agendas

Current	Post reform	Reasoning
<ul style="list-style-type: none"> • Notice of each Council meeting must be given to each councillor at least two days before the day of the meeting unless it is impracticable to do so. 	<ul style="list-style-type: none"> • Agenda to be published on Council website at the same time it is made available to Councillors • Reports to be considered at the meeting to be published on Council website at the same time they are made available to Councillors • Confidential reports or papers to be exempt from publication on the website. 	<ul style="list-style-type: none"> • Enhance transparency in relation to matters to be considered by Council.



Minutes

Current	Post reform	Reasoning
<ul style="list-style-type: none"> • Minutes must be: <ul style="list-style-type: none"> ○ taken at each meeting of a Local Government ○ confirmed at the subsequent meeting by the Councillors or committee members present • A copy of the minutes must be available for inspection by the public within 10 days of the meeting. 	<ul style="list-style-type: none"> • Committee meetings must be minuted • Minutes to include: <ul style="list-style-type: none"> ○ reports used in the meeting ○ other relevant information • Unconfirmed minutes to be published five business days after the end of the meeting • Confirmed minutes to be published immediately after the meeting at which they are confirmed • Clarification that a Councillor can confirm the meeting minutes despite having a conflict of interest in a matter discussed or decided in the meeting and regardless of whether they participated in that matter • Confidential reports or papers to be exempt from publication on the website. 	<ul style="list-style-type: none"> • Enhance transparency in relation to matters to be considered by Council • Enhance transparency and timeliness of community awareness of Council activities and decisions.



Closed meetings

Current	Post reform	Reasoning
<ul style="list-style-type: none"> • Councils may resolve that a council or committee meeting be closed to the public to discuss: <ul style="list-style-type: none"> ○ the appointment, dismissal or discipline of employees ○ industrial matters affecting employees ○ the local government's budget ○ rating concessions ○ contracts proposed to be made by it ○ starting or defending legal proceedings involving the local government ○ any action to be taken by the local government under the Planning Act, including deciding applications ○ other business for which a public discussion would be likely to prejudice the interests of the local government or someone else or enable a person to gain a financial advantage • The resolution to close the meeting must state the nature of the matters to be considered while the meeting is closed. 	<p>Matters that can be considered in closed session</p> <ul style="list-style-type: none"> • Fewer matters which Councils may discuss in closed session • Councils will not be able to discuss or decide in closed session: <ul style="list-style-type: none"> ○ appointment, dismissal or discipline of employees other than the CEO ○ the local government's budget ○ actions or decisions under the Planning Act • 'Other business' where public discussion may prejudice the interests of the local government or enable a person to gain a financial advantage to be clarified • Clarification of the level of detail required when stating the nature of the matters to be considered in closed session <p>Dealing with declared interests</p> <ul style="list-style-type: none"> • Councils will not be able to close the meeting to discuss and/or decide: <ul style="list-style-type: none"> ○ to delegate the decision of a matter where a majority of councillors have informed the meeting they have a declarable conflict of interest (COI) or personal interest in the matter ○ when the meeting has been informed of a councillor's COI in a matter being discussed at the meeting whether the councillor: <ol style="list-style-type: none"> 1) has a COI in the matter 2) must leave the meeting. 	<ul style="list-style-type: none"> • Enhance transparency of Council decision-making • Enhance transparency in relation to dealing with Councillors' conflicts of interests in matters before Council.



Briefing Sessions

Current	Post reform	Reasoning
<p>Nil regulation</p>	<ul style="list-style-type: none"> • Clarify that Councils cannot make decisions in a briefing session or workshop • A Councillor who has a declarable conflict of interest (COI) in a matter to be addressed in a briefing session or a workshop will not be able to attend the briefing session or workshop for that agenda item unless Council has previously approved their participation in that matter. • A Councillor who has a prescribed COI will not be able to attend a briefing session or a workshop. • Any new or additional information arising at or from the briefing session or workshop to be made available as soon as possible after the briefing session or workshop to all Councillors and the public. 	<ul style="list-style-type: none"> • Briefing sessions and workshops are intended as information sharing forums • Briefing sessions and workshops are not decision-making forums or meetings of a local government or a committee • Enhance transparency around the discussions and information provided in briefing sessions.



Discretionary Funds

Current	Post reform	Reasoning
<ul style="list-style-type: none"> • Councils may allocate discretionary funds to Councillors to allocate for: <ul style="list-style-type: none"> ○ community purposes ○ capital works ○ grants to community organisations. 	<ul style="list-style-type: none"> • Councils will be capped at 0.25% of general rates for the amount of funds allocated as discretionary funds (excluding capital works). • Councillors will be prevented from rolling funds over financial years. • Discretionary funds expenditure will be published within 7 days. • Discretionary funds will not be allowed to be expended from 1 January in election 	<ul style="list-style-type: none"> • Enhance accountability about allocation and use of discretionary funds. • Prevent use of discretionary funds to raise the profile of sitting Councillors before an election.



	years until the conclusion of the election.	
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Tranche 3 LGR and CBR amendments

Controlled Entities



Current	Matter under consideration	Reasoning
New proposals	<ul style="list-style-type: none"> • Consideration of the requirement to publish the financial documents/ statements of controlled entities • Consideration of the requirement to notify the Minister when a Council creates a new controlled entity. 	<ul style="list-style-type: none"> • Increased transparency, reducing corruption risks.

Sale of land for arrears of rates



Current	Matter under consideration	Reasoning
<ul style="list-style-type: none"> • Councils are permitted to set a reserve price below market value. A reserve price must be at least the value of the land, which does not include improvements on the land • The Local Government may decide by resolution to acquire land when: <ul style="list-style-type: none"> ○ the land is considered to be valueless; or ○ the sale of the land would not cover the overdue rates and charges; or ○ the amount of overdue rates and charges exceeds the market value of the land. • A person who becomes the owner of land following its sale for rates arrears continues to be liable for any unpaid body corporate contributions. 	<ul style="list-style-type: none"> • Consideration as to whether there is a need for protections to sell at market value for property owners affected by Local Government exercising power for recovery of unpaid rates • Consideration to remove the stipulation whereby a Local Government may be compelled to acquire properties for which it is attempting to reclaim overdue rates and charges. • Consideration of the situation in respect to community and strata title schemes, where outstanding body corporate fees exceed the value of the property sold. 	<ul style="list-style-type: none"> • Concepts under consideration following recommendations from the Queensland Audit Office, the Queensland Law Society and LGAQ.



Financial Management

Current	Matter under consideration	Reasoning
<p>New proposals</p>	<ul style="list-style-type: none"> • Consideration as to whether councils must: <ul style="list-style-type: none"> ○ include in their revenue policies a long-term rating strategy ○ include in their revenue statements how decisions on rates and charges support financial sustainability ○ consult with the community in the preparation of the budget ○ have an audit committee • Consideration as to: <ul style="list-style-type: none"> ○ whether to mandate that a CEO must certify to the Mayor that Council’s final adopted budget complies with all legislative requirements ○ the date of audit activities • Consideration of minor amendments to provide greater clarity around budget and financial statements • Review of: <ul style="list-style-type: none"> ○ the special rates and charges provisions as they apply to canal works and maintenance ○ financial ratios to be prescribed in Regulation. 	<ul style="list-style-type: none"> • Concepts under consideration following recommendations from the Queensland Audit Office. • Such proposals would improve transparency and accountability and lead to greater community involvement and understanding in budgetary matters • The Department will develop best practice guidelines to support Councils’ debt recovery for overdue rates and charges.



Tranche 4 LGR amendments



Procurement arrangements

Current	Matter under consideration	Reasoning
<ul style="list-style-type: none"> The Regulation prescribes procurement matters which local governments must abide by. 	<ul style="list-style-type: none"> Consideration of feedback from stakeholders regarding the procurement provisions in the Regulation, with a view to ensure greater accountability and simplification where possible. 	<ul style="list-style-type: none"> Enhance transparency, accountability and equity.

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