



Hon Desley Boyle MP
Member for Cairns



**Queensland
Government**

MC10/588
LA/10/3624

Minister for Local Government
and Aboriginal and Torres Strait
Islander Partnerships

21 DEC 2010

Mr Neil Laurie
Clerk of the Parliament
Parliament House
George Street
BRISBANE QLD 4000

Dear Mr Laurie

Thank you for your letter of 25 November 2010 concerning petition number 1573-10 in relation to rate increases by the Townsville City Council and increased Council debt. The Petition alleges mismanagement of public funds by the Townsville City Council and requests that the Queensland's House of Assembly dismisses the current Council so that new elections can be held.

While I acknowledge the concerns expressed in the Petition, in Queensland, Local Governments are autonomous bodies charged with taking independent action on a wide range of matters necessary for ensuring the good rule and government of their areas. As Minister for Local Government, I have limited powers under the *Local Government Act 2009* to direct any Council in regards to many of the decisions that they make.

To ensure greater transparency in revenue raising by Local Governments, on 25 November 2010, I announced in Parliament that there will now be a mandatory requirement for all Local Governments in Queensland to disclose in their annual budget the percentage change in total rates and utility charges revenue over the year. This one practical figure represents the actual increase in revenue drawn from ratepayers including all general and differential rates, separate and special rates and utility charges including water, sewerage and waste charges. This figure will also include the effects of any changes to discounts and remissions.

I believe the publication of this figure increases transparency so that ratepayers can better understand what is happening in their Local Government budget from one year to the next.

In relation to your concerns about Council debt, I understand the level of debt held by Townsville City Council is mainly due to capital expenditure to respond to population growth and infrastructure needs. Furthermore, Council recently reported that its original operational deficit at time of amalgamation will be reduced from \$56 million to just \$7.6 million by 2011. Taking this into account, Council is able to manage the level of repayments and has a long-term financial strategy which takes into account some \$4 billion worth of assets.

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In respect to the dismissal of a Local Government, the legislation does provide the authority for me to do so in certain, limited circumstances. To date, I do not believe that there has been sufficient cause to warrant exercising this authority.

The residents of Townsville will have the opportunity to pass judgement on the performance of their Council in Local Government elections that are scheduled for March 2012.

Should you require any further information in relation to this matter, please contact Ms Jo Stephenson, Regional Director, Northern Regional office of the Department of Infrastructure and Planning on 4799 7195.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Desley Boyle', with a stylized flourish at the end.

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Aboriginal and Torres Strait Islander Partnerships
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