Local Government Legislation (Empowering Councils) Amendment Regulation 2025

Explanatory notes for SL 2025 No. 161

made under the

City of Brisbane Act 2010
Local Government Act 2009

General Outline

Short title

Local Government Legislation (Empowering Councils) Amendment Regulation 2025

Authorising law

Sections 98, 106 and 252 of the *City of Brisbane Act 2010*
Sections 96, 109 and 270 of the *Local Government Act 2009*

Policy objectives and the reasons for them

The Queensland Government is committed to re-empowering Queensland's local governments by reducing red tape and giving local governments the resources and legislative framework they need to deliver for their communities.

The *Local Government Legislation (Empowering Councils) Amendment Regulation 2025* (the Amendment Regulation) delivers on this commitment by creating an environment where the local government sector is empowered, including through fit for purpose legislation. The Amendment Regulation also ensures local governments are held to high levels of integrity and accountability, while enabling councillors to serve their community without unnecessary regulatory burden. In doing so, the Amendment Regulation implements several reforms identified for early action by the local government sector.

The policy objectives of the amendments to the *City of Brisbane Regulation 2012* (CBR) and the *Local Government Regulation 2012* (LGR) are as follows.

Firstly, the amendments empower local governments by:

- giving local governments the autonomy to decide whether to dispose of valuable non-current assets other than by tender or auction by resolution, without requiring intervention from the State;
- enabling local governments, other than the Brisbane City Council, to grant concessions to ratepayers if satisfied the concession is appropriate having regard to the cost of living in the locality where the land is situated;
- increasing the thresholds for requiring tenders and quotes; and
- ensuring that all local governments can change the discount period for the early payment of rates if there are extraordinary circumstances.

Secondly, the amendments cut unnecessary red tape by:

- removing the requirement for the Minister to grant an extension of time by which a local government must adopt its annual report;
- removing the requirement for local governments to notify the Minister of reportable losses;
- removing the requirement to include an annual performance plan for each commercial business unit of a local government;
- removing the prohibition on councillors using discretionary funds in a local government election year (from 1 January to the conclusion of the election); and
- allowing local governments to not meet once in a month if impractical or unnecessary to do so, without requiring a ministerial exemption.

Finally, the amendments clarify councillor remuneration by providing certainty to mayors and deputy mayors that their remuneration can only be decreased, by resolution, to be the same proportion of the maximum amount of remuneration payable as all other councillors of the local government are to receive.

Giving local governments autonomy to decide whether to dispose of valuable non-current assets other than by tender or auction by resolution, without requiring State intervention

The policy objective is to remove the ministerial exemption to allow local governments to dispose of a valuable non-current asset other than by tender or auction. Instead, local governments will be empowered to decide if it is appropriate to dispose of a valuable non-current asset other than by tender or auction.

Section 217 of CBR and section 227 of LGR provide that a local government cannot enter into a valuable non-current asset contract unless it first invites written tenders for the contract or offers the non-current asset for sale at auction.

Section 226 of CBR and section 236 of LGR provide for circumstances where a local government may dispose of a valuable non-current asset other than by tender or auction, as exceptions to the obligations under section 217 of CBR and section 227 of LGR.

Section 226(1)(f) of CBR and section 236(1)(f) of LGR provide that the local government is exempt from section 217 of CBR and section 227 of LGR if the Minister exempts the local government from complying.

Section 226(1)(a) to (e) of CBR and section 236(1)(a) to (e) of LGR provide for other exceptions, which do not require ministerial involvement, that apply to the requirement to dispose of a valuable non-current asset by tender or auction.

Section 226(2) of CBR and section 236(2) of LGR provide that the exceptions mentioned in subsection (1)(a) to (e) of the sections apply to a local government disposing of a valuable non-current asset only if, before the disposal, the local government has decided, by resolution, that the exception may apply to the local government on the disposal of a valuable non-current asset other than by tender or auction.

Removing the ministerial exemption means an additional provision is required to empower local governments to decide if it is appropriate to dispose of a valuable non-current asset other than by tender or auction in situations where the exceptions mentioned in section 226(1)(a) to (e) of CBR and section 236(1)(a) to (e) of LGR do not apply.

To support the policy objective to empower local governments to make the decision in situations when the other exceptions do not apply, transparency provisions are required, including requiring a local government to:

- notify the Minister of the decision within five business days of making a resolution under the new exception to dispose of a valuable non-current asset other than by tender or auction;
- leave an eight-week cooling-off period between the resolution and the disposal occurring; and
- include a statement in the resolution explaining why the disposal of the asset other than by tender or auction is in the public interest and is in accordance with the sound contracting principles (see section 103(3) of the *City of Brisbane Act 2010* (COBA) and section 104(3) of the *Local Government Act 2009* (LGA)).

Enabling local governments to grant concessions to ratepayers to provide cost-of-living relief

The policy objective is to include cost-of-living relief in the list of relevant criteria in LGR whereby a local government may grant a concession for rates or charges thereby providing greater autonomy to local governments to grant concessions.

Chapter 4, part 10 of LGR provides for local governments to grant concessions to ratepayers for rates or charges for land.

Section 120 of LGR currently provides a list of criteria a local government must be satisfied is met in order to grant a concession to a ratepayer, such as that the payment of the rates or charges will cause hardship to the land owner.

Including cost-of-living relief in the list of relevant criteria for local governments, other than the Brisbane City Council, will provide greater autonomy to these local governments to grant concessions.

Increasing the thresholds for requiring tenders and quotes

The policy objective is to:

- increase the medium-sized and large-sized contractual arrangement thresholds, and the thresholds for a valuable non-current asset contract which is not for the disposal of land, by the all groups consumer price index for Brisbane (CPI) from when the thresholds were introduced; and
- introduce an automatic indexation mechanism to allow the thresholds to increase annually (each financial year on 1 July) by CPI without the need for annual regulation amendments.

Chapter 6, part 3, division 2 of CBR and chapter 6, part 3, division 2 of LGR prescribe what a local government must do before it enters into a medium-sized contractual arrangement, a large-sized contractual arrangement, or a valuable non-current asset contract.

The meanings of medium-sized contractual arrangement, large-sized contractual arrangement and a valuable non-current asset contract, including the threshold values, are provided for in section 214 of CBR and section 224 of LGR, as below.

Currently, section 214(2) of CBR and section 224(2) of LGR provide that a medium-sized contractual arrangement is a contractual arrangement with a supplier that is expected to be worth, exclusive of GST, $15,000 or more but less than $200,000 in a financial year, or over the proposed term of the contractual arrangement.

Section 214(3) of CBR and section 224(3) of LGR provide that a large-sized contractual arrangement is a contractual arrangement with a supplier that is expected to be worth, exclusive of GST, $200,000 or more in a financial year, or over the proposed term of the contractual arrangement.

Section 214(4) of CBR and section 224(4) of LGR provide that, for medium-sized contractual arrangements and large-sized contractual arrangements, the expected value of a contractual arrangement with a supplier for a financial year, or over the proposed term of the contractual arrangement, is the total expected value of all of the local government's contracts with the supplier for goods and services of a similar type under the arrangement.

Section 214(7) of CBR and section 224(7) of LGR provide that a valuable non-current asset is land or another non-current asset that has an apparent value that is equal to or more than a limit set by the local government.

Section 214(8) of CBR and section 224(8) of LGR provide that a limit set by the local government for a non-current asset, other than land, cannot be more than the following amount:

(a) for plant or equipment—$5,000;

(b) for another type of non-current asset—$10,000.

Section 215 of CBR and section 225 of LGR provide a local government cannot enter a medium-sized contractual arrangement unless the local government first invites written quotes for the contract. Section 216 of CBR and section 226 of LGR provide a local government cannot enter into a large-sized contractual arrangement unless the local government first invites written tenders for the contract under section 218 of CBR, or section 228 of LGR. These provisions are subject to chapter 6, part 3, division 3, which provides exceptions for medium-sized and large-sized contractual arrangements, for example, if a contract is made with a person on an approved contractor list.

Section 217 of CBR and section 227 of LGR provide that a local government cannot enter into a valuable non-current asset contract unless it first invites written tenders for the contract under section 218 of CBR or section 228 of LGR, or offers the non-current asset for sale by auction. This is subject to chapter 6, part 3, division 4, which provides exceptions for valuable non-current asset contracts.

Section 218 of CBR and section 228 of LGR provide for a tender process for a large-sized contractual arrangement or a valuable non-current asset contract.

Local government stakeholders have raised concerns about the medium-sized and large-sized contractual arrangement threshold amounts. Feedback indicates the current thresholds are too low, or no longer relevant, when considering the contemporary costs of contracting for goods and services, together with the procurement needs, financial position and general diversity of local governments.

Stakeholders have also noted that, for valuable non-current asset contracts which are not for the disposal of land, it often costs more to tender this type of asset than the actual value of the asset itself, according to the current threshold amounts.

Increasing the thresholds discussed above by CPI from the time the thresholds were introduced in December 2012, and providing a mechanism for automatic indexation, will ensure the thresholds continue to reflect the contemporary costs of contracting for goods and services and the administrative costs of disposing of assets.

Ensuring all local governments can change the discount period for early payment of rates if there are extraordinary circumstances

The policy objective is to ensure that all local governments are able, by resolution, to extend the discount period for the payment of rates or charges, by deciding a later day for the end of the discount period.

Section 122(1) of CBR and section 130(1) of LGR provide that a local government may decide to allow a discount for payment of rates or charges before the end of the ‘discount period’.

‘Discount period’ is defined in section 122(3) of CBR and section 130(3) of LGR to be a period that ends on or before the due date for payment. ‘Due date for payment’ is defined in the schedule 4 dictionary of CBR and the schedule 8 dictionary of LGR. Generally, the due date for payment means the due date stated in the rate notice by which the rates or charges must be paid.

Section 122(4) of CBR and section 130(4) of LGR provide that the local government must, by resolution, make the decision to allow a discount at its budget meeting.

Section 122(6) of CBR and section 130(6) of LGR provide that the local government may allow more than one discount period for rates or charges only if the local government's resolution:

(a) states more than one discount period for the rates or charges; and

(b) allows a different discount for each discount period.

Section 122(7) of CBR and section 130(7) of LGR provide that the local government may, by resolution, change the discount period to end on a later day (defined to be 'the new discount day').

Section 122(8) of CBR provides that if the discount period is changed under subsection (6), the local government must also, by resolution, change the due date for payment to a later day that is no earlier than the new discount day.

Section 130(8) of LGR provides that if the discount period is changed under subsection (7), the local government must also, by resolution, change the due date for payment to a later day that is no earlier than the new discount day.

Section 122(8) of CBR should refer to subsection (7), rather than subsection (6). Amending section 122 of CBR to reflect this will clarify that all local governments can, by resolution, extend the discount period for the payment of rates or charges, by deciding a later day for the end of the discount period.

Cutting red tape by removing requirement for the Minister to grant extensions of time by which a local government must adopt their annual report

The policy objective is to remove the power of the Minister, by notice to a local government, to extend the time by which the annual report must be adopted. This is to reduce unnecessary involvement from the Minister.

Section 174(2) of CBR and section 182(2) of LGR require a local government to adopt its annual report within one month after the day the Auditor-General gives to the local government the Auditor-General's audit report about the local government's financial statements for the financial year.

Section 174(3) of CBR and section 182(3) of LGR provide that the Minister may, by notice to the local governments, extend the time by which the annual report must be adopted.

Removing the power of the Minister, by notice to a local government, to extend the time by which the annual report must be adopted will mean local governments are empowered to adopt their annual reports at the appropriate time without unnecessary involvement from the Minister.

Removing requirement for local governments to notify the Minister of reportable losses

The policy objective is to remove the requirement for the chief executive officer of a local government to notify the Minister if the chief executive officer is aware of the material loss of an asset which the chief executive officer is satisfied is also a reportable loss.

Section 279A(4) of CBR and section 307A(4) of LGR provide for the meanings of 'material loss' and 'reportable loss' for the section.

'Material loss', for an asset belonging to a local government, means a loss of more than $500 for money, or a loss valued by the chief executive officer at more than $5000 for any other asset (for CBR) or $1000 for any other asset (for LGR).

'Reportable loss', for an asset belonging to the local government, means a loss resulting from:

(a) the commission of an offence under the Criminal Code or another Act; or

(b) the corrupt conduct of a councillor, local government employee or local government worker; or

(c) conduct of a contractor of the local government that would be corrupt conduct if the contractor were a councillor, local government employee or local government worker.

Section 279A(2) of CBR and section 307A(2) of LGR provide that the chief executive officer must keep a written record of certain details about a reportable or material loss, such as the cause of the loss and action taken to remedy any weakness in the local government's operations.

Section 279A(3) of CBR and section 307A(3) of LGR provide for notification requirements if the chief executive officer of a local government is aware of the material loss of an asset which the chief executive officer is satisfied is also a reportable loss.

In such circumstances, the chief executive officer must, as soon practicable, but not more than six months after becoming aware, notify the Minister, the Auditor-General, a police officer (if the reportable loss is related to the commission of an offence) and the Crime and Corruption Commission (if the reportable loss is resulting from the corrupt conduct of a councillor, local government employee or local government worker).

Section 279A of CBR and section 307A of LGR do not provide for the Minister to take any action in response to the notification.

Removing the requirement to notify the Minister will mean the Auditor-General, and, when required, a police officer or the Crime and Corruption Commission, will still be made aware of the loss without the unnecessary requirement to also inform the Minister.

Removing requirement to include an annual performance plan for each commercial business unit of a local government

The policy objective is to remove all requirements regarding a local government's annual performance plan for each commercial business unit of a local government.

Under CBR and LGR, annual performance plans for each commercial business unit of a local government are required to be included in a local government's annual operational plan and annual operations report, as follows.

Section 166 of CBR and section 174 of LGR provide for a local government's preparation and adoption of an annual operational plan for each financial year.

Section 167 of CBR and section 175 of LGR provide for the contents of a local government's annual operational plan, including requirements for annual performance plans, as follows.

Section 167(1)(c) of CBR and section 175(1)(c) of LGR provide that the annual operational plan must include an 'annual performance plan' for each commercial business unit of the local government.

Section 167(2) to (4) of CBR and section 175(2) to (4) of LGR provide for:

- the meaning of 'annual performance plan' for a commercial business unit;
- information which may be omitted from copies of the annual performance plan made available to the public; and
- a local government's ability to change an annual performance plan before the end of the financial year.

Section 182(1) of CBR and section 190(1) of LGR provide for what must be included in a local government's annual report for a financial year, including that an annual operations report for each commercial business unit must be included.

Section 182(2)(a) of CBR and section 190(2)(a) of LGR provide for the meaning of 'annual operations report' for a commercial business unit, including that it is a document which contains a comparison with the unit's annual performance plan, and that it contains particulars of any changes made to the unit's annual performance plan, and the impact of those changes, for the previous financial year.

Removing the annual operational plan and annual operations report requirements regarding a local government's annual performance plan for each commercial business unit of the local government will remove unnecessary red tape for local governments, allowing local governments to prepare and publish information regarding annual performance plans as considered appropriate.

Removing prohibition on councillors using discretionary funds

The policy objective is to remove the restriction on allocating discretionary funds during the period starting on 1 January in the year a quadrennial election must be held and ending at the conclusion of the election. This is to enable councillors to serve their community with more flexibility, while still maintaining accountability and integrity requirements.

Under section 106 of COBA and section 109 of LGA, discretionary funds are funds in the local government's operating fund that are budgeted for community purposes and allocated by a councillor at the councillor's discretion. Councillors must ensure that their discretionary funds are used in accordance with the requirements prescribed under a regulation.

Section 193B of CBR and section 201B of LGR provide for requirements for local governments about discretionary funds, including that:

- a local government may, for a financial year, budget an amount of discretionary funds for use by councillors for capital works of the local government for a community purpose and/or for other community purposes;

- the amount budgeted for discretionary funds for other community purposes must not exceed the prescribed amount (0.1 per cent of the local government's revenue from general rates for the previous financial year);
- the allocated amount of discretionary funds must be the same for each councillor; and
- the local government must, within 20 business days after adopting its budget for a financial year, make publicly available a notice stating information about the budgeted funds such as the amount budgeted for which community purposes and how community organisations may apply for funds.

Section 194 of CBR and section 202 of LGR provide for requirements for councillors about discretionary funds. For example, depending on how the funds are allocated, a requirement might apply for the funds to be allocated in accordance with the local government's community grants policy or with the approval of the mayor and chief executive officer (or the Establishment and Coordination Committee in the case of the Brisbane City Council). Councillors are also prohibited from using discretionary funds for supplying administrative or support services for performing the councillor's responsibilities under COBA or LGA.

Section 194A of CBR and section 202A of LGR provide requirements for councillors to provide notice of allocation to the chief executive officer within seven business days of allocation, which must be published on the local government website within seven business days after the chief executive officer is given the notice. The notice must state various details such as the amount allocated, the name of the person or organisation to whom the allocation was made (if applicable), and the purpose for which the amount was allocated, including sufficient details to identify how the funds were, or are to be, spent. A maximum penalty of 10 penalty units applies to a contravention of these sections.

Annual report requirements for local governments also apply to the allocation of discretionary funds. Section 181 of CBR and section 189 of LGR provide that the annual report for a financial year must contain various information about the local government's discretionary funds, including the same details about councillor allocation of discretionary funds which is included in the notice provided under section 194A of CBR and section 202A of LGR.

Section 194(5)(b) of CBR and section 202(5)(b) of LGR provide that a councillor must not allocate discretionary funds to a community organisation for a community purpose or for another community purpose (other than for capital works of the local government that are for a community purpose) during the period:

- starting on 1 January in the year a quadrennial election must be held; and
- ending at the conclusion of the election.

Removing the restriction on allocating funds during the election period will enable councillors to serve their community with more flexibility, while still maintaining the above accountability and integrity requirements.

Allowing local governments to not meet once in a month if impractical or unnecessary to do so, without requiring ministerial exemption

The policy objective is to remove the power for the Minister, after written application by a local government, to exempt a local government from meeting monthly. This is to empower local governments to decide when it is not practical or unnecessary to meet.

Section 257(1) of LGR requires local governments are to meet at least once in each month. Section 257(2) of LGR provides that the Minister may, after written application by a local government, vary the requirement for the local government to meet at least once in each month.

Removing the power for the Minister, after written application by a local government, to exempt a local government from meeting monthly will empower local governments to decide for themselves when it is not practical or unnecessary to meet. This will allow local governments to respond to emerging situations and focus on their responsibilities as required.

Providing certainty to mayors and deputy mayors that their remuneration can only be decreased, by resolution, to be same proportion of the maximum amount of remuneration payable as all other councillors of the local government are to receive

The policy objective is to provide certainty to mayors and deputy mayors that their remuneration can only be decreased, by local government resolution, to be the same proportion of the maximum amount of remuneration payable as all other councillors of the local government are to receive.

Section 244 of LGR provides for the Local Government Remuneration Commission to establish the maximum remuneration mayors, deputy mayors and councillors are to be paid. For any given local government, the maximum amount payable to the mayor is higher than the maximum amount payable to the deputy mayor, which is in turn higher than the maximum amount payable to the remaining councillors.

Section 247(1) provides that a local government must pay remuneration to each councillor of the local government.

Section 247(2) provides that the maximum amount of remuneration payable to a councillor under the remuneration schedule (see section 246 of LGR) must be paid to the councillor, unless the local government, by resolution, decides the maximum amount is not payable to the councillor. Section 247(3) provides that in a resolution made under subsection (2), the local government must also decide the amount of remuneration payable to the councillor.

Section 247(4) provides that the amount of remuneration decided under subsection (3) for each councillor must not be more than the maximum amount of remuneration payable to the councillor under the remuneration schedule.

Section 247(5) provides that the amount of remuneration for each councillor is to be the same, except for the mayor and deputy mayor. This subsection is intended to ensure councillors who are not mayors or deputy mayors receive the same remuneration, but that mayors and deputy mayors will receive a greater remuneration.

The amendments will mean mayors and deputy mayors are given certainty, acknowledging the policy intent that local governments will pay greater remuneration to mayors and deputy mayors in recognition of the additional responsibilities of those offices.

Achievement of policy objectives

The Amendment Regulation achieves the policy objectives by amending CBR and LGR as follows.

Giving local governments autonomy to decide whether to dispose of valuable non-current assets other than by tender or auction by resolution, without requiring State intervention

Section 11 and section 24 of the Amendment Regulation achieve the policy objective by:

- removing the ministerial exemption in section 226(1)(f) of CBR and section 236(1)(f) of LGR;
- replacing the ministerial exemption with a new exception in section 226(1)(f) of CBR and section 236(1)(f) of LGR which applies:
  - when none of the other exemptions in the subsection apply; and
  - the local government considers the disposal is in the public interest and otherwise in accordance with the sound contracting principles.
- amending section 226(2) of CBR and section 236(2) of LGR to provide that the new exception in subsection (1)(f) of the sections applies only if the local government has decided, by resolution, that the exception may apply to the local government on the disposal of a valuable non-current asset other than by tender or auction; and
- inserting new subsection 226(2A) of CBR and new subsection 236(2A) of LGR to provide that if the local government makes such a resolution:
  - the resolution must state why the local government considers the disposal of the asset other than by tender or auction is in the public interest and how the disposal is otherwise in accordance with the sound contracting principles; and
  - the local government must give a copy of the resolution to the Minister (to notify the Minister of the decision) within five business days of making the resolution and must not dispose of the asset as permitted by the exception within 56 days after making the resolution.

Section 13 and section 28 of the Amendment Regulation insert transitional provisions to provide that if, before the commencement of the Amendment Regulation, the Minister had already granted a local government an exemption in relation to the disposal of a non-current asset, and before the commencement, the local government had not yet disposed of the asset, the local government may still dispose of the asset as per the Minister's exemption.

Enabling local governments to grant concessions to ratepayers to provide cost-of-living relief

Section 16 of the Amendment Regulation achieves the policy objective by inserting section 120(1)(c) into LGR to provide that a local government may grant a concession if satisfied the concession is appropriate having regard to the cost of living in the locality where the land is situated.

Increasing thresholds for requiring tenders and quotes

Section 9 and section 22 of the Amendment Regulation achieve the policy objective by:

- increasing the minimum threshold amount for a medium-sized contractual arrangement in line with CPI to $21,000 (increased from $15,000);
- increasing the minimum threshold amount for a large-sized contractual arrangement in line with CPI to $280,000 (increased from $200,000);
- increasing the minimum threshold set by a local government for a valuable non-current asset in line with CPI to $7,000 (increased from $5,000) for plant or equipment, and to $14,000 (increased from $10,000) for another type of non-current asset.

New section 213E of CBR and new section 223E of LGR provide for the adjustment and rounding of the threshold amounts. From 1 July 2026, the threshold amounts will be adjusted on 1 July each year. The amounts will be adjusted according to the CPI increase from the March quarter in the previous year to the March quarter in that year. In a year where the CPI change is negative, the threshold amounts will not be changed.

To ensure local governments are aware of the adjusted threshold amounts, new section 213E of CBR and new section 223E of LGR require the adjusted amounts to be published on the department's website while the adjusted amounts are in effect.

For clarity, the provisions in previous section 214 of CBR are separated into new sections 213A, 213B, 213C, 213D and 214 of CBR and the provisions in previous section 224 of LGR are separated into new sections 223A, 223B, 223C, 223D and 224 of LGR.

The Amendment Regulation also amends the provisions in previous section 214 of CBR and previous section 224 of LGR to ensure the original policy intent for the provisions is clearly and effectively achieved. This includes clarifying that:

- the term of a contractual arrangement between a local government and a supplier includes any possible extension of the term of the arrangement that is agreed between the local government and supplier at the time the arrangement is entered into; and
- the thresholds apply to what a local government expects a contractual arrangement will cost the local government (in consideration of the cost of all contracts which comprise the contractual arrangement as estimated before the local government enters into the contractual arrangement).

The amendments include:

- inserting a new definition of 'contractual arrangement' in place of previous section 214(4) of CBR and previous section 224(4) of LGR;
- removing unnecessary reference to 'in a financial year' under the new definition of 'contractual arrangement'; and
- inserting a new definition of 'term' of a contractual arrangement between the local government and a supplier, to clarify that a contractual arrangement between the local government and a supplier includes any possible extension by renewal of the term of the arrangement that is agreed between the local government and supplier at the time the arrangement is entered into.

Ensuring all local governments can change the discount period for early payment of rates if there are extraordinary circumstances

Section 3 of the Amendment Regulation achieves the policy objective by replacing the reference to subsection (6) in section 122(8) of CBR with a reference to subsection (7).

Cutting red tape by removing the requirement for the Minister to grant extensions of time by which a local government must adopt their annual report

Section 5 and section 18 of the Amendment Regulation achieve the policy objective by omitting section 174(3) of CBR and section 182(3) of LGR to remove the power that the Minister may, by notice to a local government, extend the time by which the annual report must be adopted.

If a local government is unable to adopt its annual report within one month after the day the Auditor-General gives to the local government the Auditor-General's audit report about the local government's financial statements for the financial year, the local government has the option of adopting the report at a later time and providing a reason for adopting the annual report at a later time when making the resolution.

Section 13 and section 28 of the Amendment Regulation insert transitional provisions to provide that if before the commencement, the Minister had extended the time by which an annual report of the council must be adopted, and immediately before the commencement, the extension had not expired and the council had not adopted the annual report, the extension continues in effect.

Removing requirement for local governments to notify the Minister of reportable losses

Section 12 and section 27 of the Amendment Regulation achieve the policy objective by omitting section 279A(3)(a) of CBR and section 307A(3)(a) of LGR to remove the requirement for the chief executive officer of a local government to notify the Minister if the chief executive officer is aware of the material loss of an asset which the chief executive officer is satisfied is also a reportable loss.

Section 13 and section 28 of the Amendment Regulation insert transitional provisions to provide that if, before the commencement of the Amendment Regulation, a local government's chief executive officer was required to notify the Minister about a material loss, and before the commencement, the chief executive officer had not yet notified the Minister, the requirement to notify the Minister about the material loss stops applying to the chief executive officer from the commencement of the Amendment Regulation.

Removing requirement to include an annual performance plan for each commercial business unit of local government

Sections 4 and 6 and sections 17 and 19 of the Amendment Regulation achieve the policy objective by:

- omitting section 167(1)(c) and section 167(2) to (4) of CBR and section 175(1)(c) and section 175(2) to (4) of LGR to remove the requirement for local governments to include annual performance plans in annual operational plans; and

- omitting reference to annual performance plans in section 182(2) of CBR and section 190(2) of LGR to remove the requirement for a local government to include information regarding annual performance plans in annual operational reports.

Removing prohibition on councillors using discretionary funds

Section 7 and section 20 of the Amendment Regulation achieve the policy objective by omitting section 194(5)(b) of CBR and section 202(5)(b) of LGR to remove the restrictions applying to councillors' use of discretionary funds in a quadrennial election year.

Section 8 and section 21 of the Amendment Regulation insert a new subsection (2) into section 194A of CBR and section 202A of LGR to clarify that the notification obligation continues to apply to former councillors. That is, in situations where a councillor is required to give notice under section 194A of CBR or section 202A of LGR about an allocation of money but then ceases to be a councillor before having given the required notice, the requirement to give the notification still applies.

Allowing local governments to not meet once in a month if impractical or unnecessary to do so, without requiring ministerial exemption

Section 26 of the Amendment Regulation achieves the policy objective by amending section 257(2) of LGR to:

- remove the power for the Minister, after written application by a local government, to exempt a local government from meeting monthly; and
- instead provide that a local government need not meet in a particular month if the local government considers it would be impracticable or unnecessary to do so.

It may be impractical for a local government to meet, for example, due to disease outbreak, severe weather events or Sorry Business.

It may be unnecessary for a local government to meet, for example, due to end-of-year recess, or a caretaker period during an election for a local government.

Providing certainty to mayors and deputy mayors that their remuneration can only be decreased, by resolution, to be same proportion of the maximum amount of remuneration payable as all other councillors of the local government are to receive

Section 25 of the Amendment Regulation achieves the policy objective by inserting a new subsection (6) in section 247 of LGR providing that the amount of remuneration decided under section 247(3) of LGR for each other councillor, including a mayor or deputy mayor, must be the same proportion of the maximum amount of remuneration payable to that other councillor under the remuneration schedule.

An example is given for a situation where the amount of remuneration for the mayor of a local government is 90 per cent of the maximum amount of remuneration payable to the mayor under the remuneration schedule. In such a case:

- the amount of remuneration for the deputy mayor of the local government must be 90 per cent of the maximum amount of remuneration payable to the deputy mayor under the schedule; and

- the amount of remuneration for the other councillors of the local government must be 90 per cent of the maximum amount of remuneration payable to councillors other than the mayor or deputy mayor under the schedule.

Existing section 247(7) is renumbered to be subsection (8) and is amended to provide that new subsection (6) is also subject to section 248 of LGR. This means that, under section 248, a councillor is still able to receive an amount of remuneration more than the maximum amount payable under the remuneration schedule, even when the remuneration for a local government's councillors is reduced to the same proportion according to new subsection (6).

Consistency with policy objectives of authorising laws

The Amendment Regulation is consistent with the purposes of COBA and LGA which include providing for the nature and extent of a local government's responsibilities and powers and a system of local government that is accountable, effective, efficient and sustainable (section 3 of COBA and LGA).

Inconsistency with policy objectives of other legislation

The Amendment Regulation is not inconsistent with the policy objectives of other legislation.

Benefits and costs of implementation

The amendments to CBR and LGR will:

- create an environment where the local government sector is empowered, including through fit for purpose legislation; and
- cut red tape to enable councillors to serve their community without unnecessary regulatory burden while ensuring local governments are held to high levels of integrity and accountability.

Any costs to Government of implementing these amendments will be met through standard budgetary processes.

Consistency with fundamental legislative principles

The Amendment Regulation is generally consistent with the fundamental legislative principles (FLPs) set out in the *Legislative Standards Act 1992* (LSA). Issues in relation to the FLPs are addressed below.

Rights and liberties of individuals

The FLPs include requiring that legislation has sufficient regard to the rights and liberties of individuals (section 4(2)(a) of the LSA).

Reasonable and fair treatment

Legislation should be reasonable and fair in its treatment of individuals and should not be discriminatory.

The amendments include providing certainty to mayors and deputy mayors that their remuneration can only be decreased, by local government resolution, to be the same proportion of the maximum amount of remuneration payable as all other councillors of the local government are to receive. This requirement means that all councillors' remuneration must be reduced if their local government decides to reduce the mayor's or deputy mayor's remuneration.

The reasonableness and fairness of this amendment is considered in the Human Rights Certificate which concludes the amendment limits human rights only to the extent that is reasonable and demonstrably justified in a free and democratic society based on human dignity, equality and freedom.

The amendment is reasonable because it ensures mayors and deputy mayors, as leaders of local governments, are given certainty that they are paid more than other councillors, in acknowledgement of the greater responsibilities mayors and deputy mayors take on.

The amendment also aims to support fairness by ensuring a fair remuneration structure that reflects the varying responsibilities for local government elected officials.

Importantly, the amendment is reasonable because the decision to reduce a mayor or deputy mayor's remuneration is the decision of the local government for which the councillors are responsible and for which they hold decision-making authority.

In addition, councillors' remuneration is only required to be reduced to be the same proportion of the maximum amount of remuneration payable as the mayor or deputy mayor is to receive.

Human rights

The amendments limit the right to freedom of expression (section 21 of the *Human Rights Act 2019* (HR Act)), the right to take part in public life (section 23 of the HR Act) and property rights (section 24 of the HR Act).

These limitations are addressed in the Human Rights Certificate, which concludes the rights are limited only to the extent that is reasonable and demonstrably justifiable in a free and democratic society based on human dignity, equality and freedom.

Consultation

Consultation was undertaken with the following stakeholders on the amendments contained in the Amendment Regulation:

- Local Government Association of Queensland;
- Local Government Managers Australia (Queensland);
- Brisbane City Council; and

- Local Government Remuneration Commission.

These stakeholders were broadly supportive of the amendments. Where appropriate, the Department of Local Government, Water and Volunteers will provide guidance material for councils on the amendments.

A summary Impact Analysis Statement has been completed that identifies that the amendments are not subject to regulatory impact assessment requirements under the *Queensland Government Better Regulation Policy* as the amendments are regulatory proposals that relate to the internal management of the public sector or are deregulatory in nature.