

LOCAL GOVERNMENT AMENDMENT (NO FORCED AMALGAMATIONS) BILL

Second Reading

Mr FRASER (Coffs Harbour) [10.28 a.m.]: I move:

That this bill be now read a second time.

The Coalition has a policy of no forced amalgamations. We went to the election with that policy. We stand by that policy. Does that policy sound familiar to the people of New South Wales? Yes, it does, because the then Minister for Local Government, Harry Woods, had the identical policy. When pressed on many occasions during the election campaign he reiterated and reinforced the Government's attitude of no forced amalgamations. Harry Woods retired at the last election. The Hon. Tony Kelly was introduced to the portfolio by the Premier and given a manila folder. In that manila folder, I suggest, was a list of councils in New South Wales to be dissolved or to be amalgamated. Proof of this came when the Minister wrote to the Mayor of Yarrawlumla shire and informed him that as of the next local government elections, due in September, his shire would be dissolved and merged with Yass and Queanbeyan councils.

Pursuant to sessional orders business interrupted.

Debate resumed from 4 September.

Mr FRASER (Coffs Harbour) [10.03 a.m.]: I put on record my thanks to the previous shadow Minister for Local Government, the Hon. Duncan Gay in the other place, and his staff for their assistance in this matter. The Hon. Duncan Gay prior to the last election had suggested legislation of this type because we could not get an answer from the then Minister for Local Government, Harry Woods, about the true agenda of the Labor Party in regard to forced amalgamations of councils. The Government has reneged on its promise of no forced amalgamations but it has done it in such a way that the Minister now claims that the proposed amalgamations in regional and rural New South Wales and in parts of Sydney are voluntary. The way he comes to this conclusion is that this year at the Local Government and Shires Associations conference he told, as did the Premier, the representatives of the local governments that they would need to put in submissions to him by 31 August to be passed on to the Boundaries Commission for structural reform. That structural reform was to include a moving of any boundaries that may be seen by some councils as needed, and also the dissolution of some councils or forced amalgamations.

I believe 148 submissions were received by the 31 August deadline, by holding this axe over local government's head. The Minister now says that these councils had made the submissions "voluntarily", and therefore these are not forced amalgamations but voluntary amalgamations and voluntary boundary adjustments. That is lies. It shows the true nature of this Government, the Minister and the Premier. In fact, the Premier told the Shires Association if they did not do it he would crack the whip. He would not confirm to this House what his term "cracking the whip" would mean. The Parliamentary Secretary, the honourable member for Tweed, laughs across the table. We will see how he supports his local government areas when a super council is approved for his area. We will see how his constituents regard his defence of their local government when he casts his vote on this legislation. They will let him know at the next State election what they think of him. He is only in by the skin of his teeth as it is. I feel sure that the Independent members of this Chamber will support this legislation because they too value the contribution of local government. I notice the honourable member for Northern Tablelands is here this morning. He is a past mayor and appreciates the value that local government provides to all communities.

The Opposition supports true voluntary amalgamations. In the Tamworth area, Tamworth, Parry and Nundle have basically formed an alliance and said, "We will, in the interest of ourselves and the community, set up talks and propose an amalgamation into a shire." For local reasons it is attractive to the councils and to the ratepayers in that area. For example, I suggest that in Clarence, where the Minister has clearly indicated that he wants one local council, it would create tremendous problems. I suggest that a large part of this is nothing more than politics being played by this Government. Clarence is an example. It has four councils and four mayors. One of those mayors is a member of the National Party but I would suggest that the other three are conservative people by nature.

If the Minister proposes one council for the Clarence those four mayors will probably stand as popularly elected mayors. Terry Flanagan, rural affairs adviser to the Minister, the same Minister who is proposing this, a man who has been given an office at Government expense in Grafton—I would like to know what the hell his job is up there because he does not seem to be doing much except supporting the Government's forced amalgamation—will stand as a Labor candidate for mayor. Because the conservative vote within that electorate could possibly be split four ways, a Labor Party Government employee who is employed by the Minister's office in consolation for getting his backside kicked in both the Federal and State elections, will probably come through as a "popularly elected" Labor Mayor—which he would not be as he would have less than 50 percent of the vote. He would become an apologist for this Government and its draconian legislation, which affects regional and rural New South Wales. All the legislation regarding forestry, planning policies, SEPP 71—you name it—that mayor would then get up and either say nothing or support the Government in its push to degrade and downgrade services and make life hard for people in regional and rural New South Wales.

There is a political agenda. The legislation I propose requires that the Boundaries Commission conduct a postal ballot of all people within any local government area that is proposed for merger, or dissolution, or have its boundaries changed by more than 10 per cent. That will give democracy an opportunity to work in New South Wales, and give the people of those areas an opportunity to express their opinion, by way of a postal ballot, to the Boundaries Commission. At the moment the Boundaries Commission consists of three people: Leo Kelly, from Blacktown; Edith Hall; and Col Sullivan, from Casino. Leo Kelly and Edith Hall are card-carrying officials of the Labor Party.

The honourable member for Heathcote laughs. He has been here only half the length of a cigarette and will not last to the end of it. Leo Kelly and Edith Hall will do what the Minister and the Premier want them to do. They will not act in the best interests of the people of New South Wales. The Minister clearly indicated in the *Government Gazette* that he had instructed the Boundaries Commission that it might not hold public inquiries regarding proposals for Yarralumla and other councils. The Hume Shire Council is running a "Hands off Hume" campaign, and when the Boundaries Commission visited that area it met with representatives of Albury City Council, in a motel. Rather than holding a public hearing at which it could hear from all the affected and disaffected councils and listen to all the concerns of the people, it met Albury council representatives clandestinely in a motel. To my knowledge the commission did not take any submissions from Hume council.

Hume Shire Council has worked extremely hard for its community. It is profitable and has more than 5,000 ratepayers—a number that the Minister claims is the minimum—and provides effective and efficient services for its constituency. Albury City Council has said that it needs more land and by following Rural Fire Service boundaries it will take over about two-thirds of the Hume shire. The remainder will be pushed into Corowa Shire Council. Hume has not been consulted. In fact, meetings have been held, with 1,700 people attending. The people in Hume are scared that the services currently provided to them by Hume council in an effective and efficient manner will be lost, because Albury council will be more city-centric, favouring the people of Albury. Therefore, the services that Hume has built up over many years will be ignored.

An example of that potential loss is the council-provided nursing home at Howlong. That nursing home services the Hume area and has the full and ongoing support of the Hume

council. People are fearful that if and when they are usurped—basically taken over by Corowa and Albury—the home will not be a priority, because of the large population in Albury. The home will fall into disrepair and may close down. That home provides an excellent and much-needed service to the people of the area. During the last parliamentary adjournment I travelled extensively around New South Wales and visited many councils. I found that the Minister's proposals have set council against council. Councils that previously worked together, helping one another, sharing common interests, are now looking at one another as either predators or prey. Smaller councils feel that they are the prey; the bigger councils see themselves as predators.

I spoke to councillors in the Griffith area. They had indicated clearly to the Minister that they believed that the councils operated well both individually and co-operatively. They did not want amalgamations in any way, shape or form, but the Minister insisted. The Griffith area councils proposed two options: first, status quo; and, second, a council based on the Murrumbidgee Irrigation Area. I do not know whether that option went forward. The Griffith councillors went to their neighbours at Leeton and surrounding shires and discussed their proposal. The other shires suddenly saw Griffith City Council as a predatory council; yet Griffith council was floating a proposition only because the Minister insisted that it do so. If that proposal would go ahead, I suggest the Minister would see it as voluntary. Yet, neither Griffith nor its neighbours want that amalgamation. It is something they have been forced to do by the Premier and the Minister for Local Government.

It should be noted that the Minister for Local Government was once the general manager of Wellington Council; he is in trouble in his own bailiwick. I suggest he would not be welcome in Wellington at the moment, because there is a proposal by Dubbo City Council to take over Wellington. Dubbo and Wellington are two major centres and I know that the honourable member for Dubbo is a former mayor of Dubbo. He may not support Wellington being merged with or taken over by Dubbo council. They are two unique towns and the services they provide are unique to their areas. They do not believe that a central council in Dubbo can service the areas as well as it could, or should. Neighbours are now almost in a state of civil war.

During the week of the Drug Summit I was asked to address a public meeting at Murrurundi Shire Council, a small council serving only 2,500 ratepayers. It is a unique council. Muswellbrook Shire Council proposes a super council to incorporate Murrurundi. Quirindi Shire Council wants only half of Murrurundi—the high-rating area. Murrurundi council provides 43 jobs in the local community. In a population of 2,500 that is a large slice contributing to the economy. The proposal by either neighbouring shire would result in those 43 employees travelling 40 kilometres twice daily, to and from their place of employment. It would not take long for those employees to decide that it was uneconomic for them to travel that distance at a huge impost and cost to them. Therefore, they would move to the new shire base. That would take 43 jobs out of the local community. I suggest the severe effect would almost collapse the local economy. The businesses that relied on those 43 pay packets coming in each week, from the rates paid, would lose income and may have to scale down or close. The flow-on effect would be huge, because every dollar spent in the country community has a multiplier effect of 2.6. That loss of income from the local community would be absolutely disastrous.

I apologise to the schoolchildren in the gallery for what I am about to say. I am going to read out a sign that is hung on the highway. I would like them to understand that this is all about democracy, about their future and their standing in society. It is about their opportunity to have a say. This Government does not want them or their mums and dads to have a say about how their local government is run. Murrurundi shire has erected large banners either side of the town that states "Amalgamation? Bugger Off Bob! Save Murrurundi Shire". That call has been echoed across New South Wales. All the councils say that they have not been given an opportunity and they do not want the Government to force on them something about which they do not have an opportunity to comment.

The local communities have set up their councils, and every four years they have an opportunity to elect their representatives. They believe they have done that well. The many

small councils—73 employees in Hume council; 61 employees in Culcairn council; 43 in Murrurundi council, and others—are fearful that those jobs will go. The Government realised this belatedly, after it proposed this so-called voluntary amalgamation and rushed legislation through the House to preserve for three years the jobs of the employees in those councils. The Government's reasoning for amalgamation or structural reform is to encourage local councils to be more efficient and to provide more economical delivery of services. One does not need to be a mathematical genius to work out that if all employees must be retained for three years, there can be no savings. The golden parachute for general managers, as claimed by the Government, will be paid as a one-off cost to councils, but those general managers must then be employed for the next three years, which will not be a cost saving.

The Government should have directed the Director-General of Local Government to assist councils that may be in financial distress by encouraging them to bargain collectively for goods and services. Over five years, at a cost of \$110,000, the Eastern Riverina Regional Organisation of Councils has saved ratepayers \$4.5 million by bulk tendering on bitumen and other services. The 13 councils in the region have collectively instigated a program to rid the community of supermarket plastic bags. Customers receive a calico grocery bag for every 20 plastic bags they collect. The cost of that wonderful initiative is a mere \$16,500 but is of great benefit to the community and the environment. The participating councils have made this collective decision in the interests of the whole area as well as their own niche communities, which they represent so well.

However, even those communities have been under pressure from the Government to put forward proposals for amalgamation or boundary adjustment that would see the dissolution of some of the local councils in the area. That disgraceful proposal is not democracy but autocracy. In the past eight years the Government has forced many unfunded mandates on local councils. Unfunded mandates can comprise State Government policy on septic tanks, companion animals or State environmental planning that requires local government to implement and pay for the costs associated with the policy. In the past year there are dozens of examples where the State Government has forced unfunded mandates on local councils but the Government is not prepared to listen to the concerns of those councils.

One such significant case is the Country Town Water and Sewerage Program. When the Coalition was in government it allocated \$100 million per year to councils for the provision of basic water and sewerage services to rural communities. This Government has cut that funding by half and now contributes only \$50 million a year. People in larger metropolitan areas take for granted the provision of water and sewerage services, but the cost of those services in country areas has increased significantly. Local councils can no longer afford to provide the same efficient service because State Government funding has been insufficient. Instead, the Government should assist local councils in the provision of these basic services, as past Coalition governments have done.

The Government has then had the audacity to claim in this Parliament that those councils cannot meet their financial obligations and have run over budget. I suggest to the Minister and the Premier that the reason many councils have gone over budget is the unfunded mandates forced on them on a regular basis. All of the local councils in New South Wales, whether city or country councils, have had to employ extra staff to deal with unfunded mandates and other State Government legislation. Macksville Council on the North Coast has employed three employees whose sole jobs are to administer unfunded mandates from the State Government. The Government's actions have increased costs for local councils, while it has withdrawn funding for basic services. For the Government, which wasted \$48 million on the Millennium trains, to suggest more effective and efficient local government is nothing short of sheer hypocrisy—the hypocrisy is quite breathtaking.

If this bill is passed it will do nothing more than reinforce Labour's pre-election promises of no forced amalgamations. If the Minister and the Premier are serious about structural reform they will support this bill. The bill merely requires the Department of Local Government to conduct a postal ballot of all residents in any area where there is a proposal for amalgamation, dissolution or boundary adjustments of more than 10 per cent. It is a simple and inexpensive request. It will allow communities to express an opinion on this matter, an opportunity not

afforded to them by the Government. When I have travelled throughout New South Wales many people in rural communities have expressed their concerns about the Government's proposals. I draw to the attention of the House an article in today's *Daily Telegraph* under the heading "Hunters Hill fights takeover". The article stated:

More than 700 people from Hunters Hill converged on the local town hall to oppose takeover moves by the neighbouring council of Ryde.

The message was clear—hands off our community.

Those at the "crisis meeting" included Justice Barry O'Keefe, who is president of the National Trust, and union leader Jack Munday.

Labor members should listen to their grassroots people because Jack Munday is saying, "Hands off Ryde". The article continued:

Ryde Council has applied for boundary changes to local government areas, which would see it consume parts of Hunters Hill, Parramatta and Hornsby councils.

Ryde city would be expanded by 50,000 residents if the adjustments were approved.

Horrified residents of waterfront suburbs Hunter Hill, Woolwich and Huntleys Point fear the Hunters Hill Municipality would become extinct if any of its suburbs were extracted.

Ryde