



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## SENATE

STANDING COMMITTEE ON FINANCE AND PUBLIC  
ADMINISTRATION

**Reference: Commonwealth Electoral Amendment (Democratic Plebiscites)  
Bill 2007**

FRIDAY, 31 AUGUST 2007

EMERALD

BY AUTHORITY OF THE SENATE



## **INTERNET**

The Proof and Official Hansard transcripts of Senate committee hearings, some House of Representatives committee hearings and some joint committee hearings are available on the Internet. Some House of Representatives committees and some joint committees make available only Official Hansard transcripts.

The Internet address is: **<http://www.aph.gov.au/hansard>**

To search the parliamentary database, go to:  
**<http://parlinfoweb.aph.gov.au>**

**SENATE STANDING COMMITTEE ON  
FINANCE AND PUBLIC ADMINISTRATION**

**Friday, 31 August 2007**

**Members:** Senator Fifield (*Chair*), Senator Forshaw (*Deputy Chair*), Senators Carol Brown, Cormann, Fierravanti-Wells, Moore, Murray and Watson

**Substitute members:** Senators Joyce and Ian Macdonald to replace Senators Fierravanti-Wells and Watson, respectively

**Participating members:** Senators Barnett, Bartlett, Bernardi, Birmingham, Boswell, Boyce, Bob Brown, Carr, Chapman, Conroy, Crossin, Eggleston, Evans, Faulkner, Fielding, Fierravanti-Wells, Fisher, Heffernan, Hogg, Joyce, Kemp, Ludwig, Lundy, Marshall, Sandy Macdonald, McGauran, McLucas, Milne, Nettle, O'Brien, Parry, Payne, Ray, Ronaldson, Sherry, Siewert, Stephens, Trood, Watson, Webber and Wong

**Senators in attendance:** Senators Fifield, Forshaw, Joyce, Ian Macdonald, Moore and Murray

**Terms of reference for the inquiry:**

To inquire into and report on:

Commonwealth Electoral Amendment (Democratic Plebiscites) Bill 2007

## **WITNESSES**

<b>BACK, Councillor John, Mayor, Ilfracombe Shire Council.....</b>	<b>28</b>
<b>BECKER, Councillor Owen, Deputy Mayor, Taroom Shire Council.....</b>	<b>64</b>
<b>BOND, Councillor Ailsa Alice, Deputy Mayor, Isisford Shire Council .....</b>	<b>28</b>
<b>BROWN, Councillor John Charles, Mayor, Peak Downs Shire Council .....</b>	<b>52</b>
<b>CHURCHILL, Mr Glenn Gordon, Private capacity .....</b>	<b>85</b>
<b>DINHAM, Mr Malcolm Harry, Councillor, Tara Shire Council .....</b>	<b>76</b>
<b>GLINDEMANN, Mr Russell Peter, Councillor and Deputy Mayor, Jericho Shire Council.....</b>	<b>28</b>
<b>GRAY, Mrs Jennifer Catherine, Councillor, Aramac Shire Council .....</b>	<b>28</b>
<b>HANSEN, Councillor Selwyn, Taroom Shire Council .....</b>	<b>64</b>
<b>HAYWARD, Mr Robert James, Chief Executive Officer, Tambo Shire Council .....</b>	<b>28</b>
<b>HOBBS, Mr Howard William MP, Member for Warrego and Shadow Minister for Local Government .....</b>	<b>17</b>
<b>LINDEMAN, Mr Don, Chief Executive Officer, Peak Downs Shire Council .....</b>	<b>52</b>
<b>SCOTT, The Hon. Bruce, Member for Maranoa, Commonwealth Parliament .....</b>	<b>2</b>
<b>STILLER, Councillor Donald, Mayor, Taroom Shire Council .....</b>	<b>64</b>
<b>WALKER, Councillor Laurence Allen, Peak Downs Shire Council.....</b>	<b>52</b>
<b>WEARING, Mrs Josephine Mary, Private capacity .....</b>	<b>85</b>



**Committee met at 9.30 am**

**CHAIR (Senator Fifield)**—I declare open this meeting of the Senate Standing Committee on Finance and Public Administration. This hearing is for the committee's inquiry into the provisions of the Commonwealth Electoral Amendment (Democratic Plebiscites) Bill 2007 which the Senate referred to the committee on 16 August 2007 for report by 4 September 2007. The bill seeks to allow the Australian Electoral Commission to undertake any plebiscite on the amalgamation of any local governing body in any part of Australia. The committee has received 92 submissions for this inquiry. All submissions have been authorised for publication and will be available on the committee's website. These are public proceedings, although the committee may agree to a request to have evidence heard in camera or may determine that certain evidence should be heard in camera.

At the end of today's formal program the committee will be holding an open microphone session for 30 minutes where interested members of the public gallery will be invited to give their views on the bill. There will be a strict time limit of two minutes per person. I remind all witnesses that, in giving evidence to the committee, they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee, and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee. If a witness objects to answering a question, the witness should state the ground upon which the objection is taken and the committee will determine whether it will insist on an answer, having regard to the ground which is claimed. If the committee determines to insist on an answer, a witness may request that the answer be given in camera. Such a request may also be made at any other time.

[9.32 am]

**SCOTT, The Hon. Bruce, Member for Maranoa, Commonwealth Parliament**

**CHAIR**—Welcome. We appreciate the opportunity to be in your patch, Mr Scott. Would you like to make an opening statement?

**Mr Bruce Scott**—Thank you for this inquiry and thank you for coming to Emerald. I will firstly outline the area that I represent in the electorate of Maranoa. Within the existing boundaries of Maranoa there are some 35 local governments. The electorate of Maranoa is 4½ times the size of the state of Victoria, so local government at a local level is very important to me and it is very important for the local leadership in those rural shires.

Under the proposed forced amalgamation by the state government here in Queensland, you would see a situation where 35 local councils become 16 local councils. You have a copy of my submission, and I will not talk directly to the submission but rather about the submission and about a couple of other aspects that I have seen and witnessed as the local member. I have seen enormous cooperation between the local governments in my area at a regional level, with the road alliance group, the regional cooperation group and the regional groupings of councils. I have witnessed sharing of resources through the regional road alliance group and through regional tourism bodies. From my point of view, there has been no case made for the amalgamation of shires in the electorate of Maranoa. In fact, there is no evidence, either here in Australia or overseas where amalgamations have occurred, that amalgamation of shires would bring about efficiency. In fact, efficiency is not a function of size; it is more about cooperation.

If you look at some past state governments, I would witness Victoria as a state that was financially weak. Its credit rating had been downgraded, yet it was not required to amalgamate with New South Wales or Tasmania because it was financially weak at that stage. Other structural things occurred, including a change of government, which changed some of the financial structures of states. Size does not mean efficiency; efficiency is not a function of size.

One of the concerns I have in relation to local governments in my are, if this proposal were to proceed, is the fact that there has not been a social impact study conducting in relation to the amalgamation of shires. There has not been an economic study of the impact that would occur as a result of forcing amalgamation against the will of the people. There is no consideration of the tyranny of distance and what that would mean with amalgamation and more centralisation of shires. I would be very happy to expand on that, if you wish, when you ask questions.

Finally, in my submission you will find the examples of the Tambo, Aramac and Waroo shires, small community councils with great local leadership, which are very sustainable and financially strong, being forced into a situation where they would have to amalgamate with other shires, against their will, without any social or economic impact study being conducted. That is a huge concern for me. I believe that without any further studies being conducted, we will see a situation in many smaller communities where local government has been the business facilitator and provider of a range of services that would be lost under amalgamation.



I see a situation where people would become landlocked, similar to in the Northern Territory where there are dysfunctional communities with limited job opportunities and all the social ramifications of a situation that would inevitably flow from the forcing of amalgamation of shires against the will of local people and against them having a say. At the end of the day, we should draw on the collective wisdom of those communities to see what would be best in the long term for those communities.

**CHAIR**—The theme that came out through the evidence we heard yesterday is the concept of localism and that local communities are looking towards themselves to provide solutions. At a time when localisation is a significant trend, people have a yearning for local solutions to identify with their local area. An instance of that in your submission, which I found interesting, is Tambo shire, which provides rent subsidies for the local pharmacy, operating two days a week, which would not operate otherwise. Tambo shire has a very small population. One of the arguments put forward for council amalgamations is that you can have better services. Would you concede that a merged entity, a larger council area, would provide that sort of service, to subsidise a pharmacy service? I have not heard of larger councils anywhere providing that sort of service.

**Mr Scott**—Can I expand on the Tambo Shire Council and what they have done in relation to that pharmacy. The federal government's Regional Partnerships program, in partnership with the local council, provided the building in which that pharmacy is located. Also, through our rural pharmacy initiatives as a federal government we provided the initiative and support financially for that pharmacy to be located in Tambo.

It goes back to local leadership. The local community believed that for the health of their community they needed a pharmacy like every community needs a doctor. It is about essential services. That pharmacy is there because of the local council and the funds that it is providing and the funds that federal government is providing under the rural pharmacy initiative to provide support for a pharmacy in a place where it would otherwise be uneconomic to provide a pharmacy. It would not be there if the process was administered by council that governed a larger area. Evidence from anywhere around the world, as I said earlier, is that efficiency is not a function of size. Local communities and local solutions are all about local people and local decisions. The other thing about that pharmacy, which is a very good example, is that the nearest town is 100 kilometres away. If you need prescription drugs, sometimes you might not have the time to use the next mail service to bring those prescription drugs to you. That provides a local service for that community. It is working very well.

**Senator IAN MACDONALD**—You also represent Warwick and Stanthorpe. What is the impact likely to be if these small councils around Toowoomba are joined into one huge council?

**Mr Bruce Scott**—If you look at the Warwick-Stanthorpe scenario, the Warwick shire is already the result of an amalgamation of four other local rural shires that were considered to be marginal in the past. They were amalgamated, and that was going to make them strong, because the smaller shires would be amalgamated with the regional town of Warwick. Warwick is now rated as one of the weaker shires. If that rating has credibility—and we have to use that material—it was not strengthened as a result of the amalgamation of the shires around it. I was talking to some of the community people in that part of Maranoa this week in

Allora and Killarney, which were part of separate shires. I asked them, 'How much attention do you get now from the local shire?' They said, 'Not the sort of attention that we used to get.' Warwick is growing and has problems of its own that have to be addressed at a local level in Warwick. The outside regions are the ones that are suffering. 'Suffering' might not be the word, but they are not getting attention paid to the local detail of community need.

Looking at the proposal to bring Stanthorpe—a strong shire in its own class at the moment—into Warwick, that will not make it a stronger community. In fact, they are two distinctly different geographic, social, economic, business—

**Senator IAN MACDONALD**—Ethnic.

**Mr Bruce Scott**—and ethnic communities. In fact, Stanthorpe would be the shire in my electorate that has the greatest ethnic diversity. There are people from a large number of Eastern European countries there. They are two totally different communities. Stanthorpe shire is able to deal with the ethnic diversity, business incubation and attracting businesses to the community because they are a shire that stands alone. It is strong in its rating and there no evidence has been provided to show or business case made that Stanthorpe should be part of the Warwick shire.

**Senator IAN MACDONALD**—Very quickly and finally, getting back to the leadership question that you were talking about, from your long experience in Western Queensland, you would be more aware than most of the role councils play not only in getting pharmacies there but in getting doctors there and sporting teams away. How do you think that sort of local leadership for a smaller community will be impacted? Knowing your interest in local government and your wife's interest in local government, do you have a view about FAGS grants and what they have done?

**Mr Bruce Scott**—Firstly, where you have a community with good local leadership, you have a very vibrant community. The businesses' opportunities may not be like they are in the city, but the businesses are still small businesses that are helped along the way by the local leadership of the local council. It even breaks right down to, as you mentioned, the local football team, the local oval or the memorial in the town that is maintained by the council. Without that local leadership and those local councils, those things would not happen. There is no doubt about that. Take Aramac Shire. They provide Home and Community Care packages, and that comes out of the local hotel, which provides a business opportunity. Who is going to administer that if you do not have a local council there? So many of those social services that are provided—services for the aged in their community—are provided by the local council.

Some might say, 'Oh, they're subsidised.' They believe in their community and they want a healthy community, a vibrant community, a community that does not have social problems—and these communities do not have crime problems, alcohol problems, dysfunctional families. I know these communities very well. If you go to these communities and go to their school, you see all the children turn up to school. Because you have good local leadership, you have a community that has a great sense of pride. Many of these small communities have won Tidy Town competitions, where everyone gets out because they believe in their community. If you take leadership away, you end up, as I said earlier, with a situation, slowly but surely, over

time, of the problems we are confronting in the Northern Territory: dysfunctional communities, communities dependent on welfare.

The other thing that concerns me is the loss of value of housing—the value of the home—that I think we are already starting to witness because the fear of the impact of this on their community is quite significant. That is where you get the people landlocked. The small business of the pharmacy in Tambo, the pharmacist who comes down there once a week for two days—it just will not happen. What happens to that business? It is devalued. Who is going to pay compensation for the corner store, the little rural supplier? All of those things will be impacted upon. In the case of Tambo, I think—and they will be giving evidence later this afternoon—Tambo has something like 52 people employed.

The bank: the rural transaction program of the federal government has brought banking services for the first time in many small communities. Why? Because we facilitated—as you would remember, Senator—opening in one-school places like Surat, where the Queensland Teachers Credit Union is the bank in the local town. It came there because the council put all their finance through that local bank. In that case, it was the Teachers Credit Union. In Aramac it is one of the larger banks.

**Senator IAN MACDONALD**—Pioneer.

**Mr Bruce Scott**—Pioneer. Tambo is the same. I was in Tara the other day. Tara Shire is proposed to be amalgamated with a larger area. Something like \$7 million or \$8 million of council revenue goes through that bank each year. They provide the building. It was the National Australia Bank building. The bank moved out years ago and left them with a building in the main street. The council bought it for a nominal amount of money. They attracted the bank back through a rural transaction program. They agreed that they would put all their revenue through that bank, and then the employees put their pay cheques through the bank, and so you create a business. It is an incubation of a bank. I think a banking service surely in any community is an essential element of being able to conduct business.

So I think that the loss of local leadership will lead to dysfunctional communities inevitably. The losses of the value of someone's family asset, the home, and the small business are all impacts that have not had a study conducted into them, particularly in our rural communities, where these communities are vibrant but small and have a future. If you look at the scale of economic strength or weakness, they all come in the economically strong category.

**Senator IAN MACDONALD**—Thanks for that, Bruce.

**Senator FORSHAW**—Thank you, Mr Scott. You have given us a lot of comment about the impact of amalgamations on the communities, and I appreciate that, but I do want to come back to the bill. I just want to state, at the start of today's proceedings, that this is an inquiry into the Commonwealth's legislation, which is four pages long—probably less than that if you put all the paragraphs closer together. It has bipartisan support. Mr Rudd has indicated that the Labor Party will support it. I understand that it has cross-party support; at least, Senator Murray has told us that. So it will be put through the parliament, one assumes, as soon as we get back.

You have noted in your submission—and I note that your state colleague who is to follow also refers to the fact—that the legislation relies upon the International Covenant on Civil and Political Rights as the head of power for the Commonwealth to put this legislation through. I find that an interesting position, given the long history of your party and the coalition parties generally in opposing the use of international conventions—quite stridently so, actually. I am wondering: is this a change of attitude by the National Party or you, to rely upon international conventions? Are there any others that you might think should be relied upon too, such as ILO conventions or the Convention on the Rights of the Child, to give the Commonwealth the power to interfere or involve itself in the activities of state and local governments?

**Mr Bruce Scott**—Can I just say that this was brought about because of the Queensland state government's position of legislating to fine people, or it could have ended up in a court of law, where the mayors who even discussed conducting a poll of their community would be fined, sacked and an administrator put in place. It was only through that process that we as a Commonwealth—and I was very strongly in support of this—had to find a way that the Commonwealth could ensure the basic right of all Australians: their right of freedom of speech, their right to express an opinion. That was being denied by the state Labor government in Queensland, in a unicameral parliamentary system where the ultimate power rests with the government because there is no check or balance in the system because it is a single parliament. That is why I supported the bill and the pathway forward—that we should draw on that international covenant, because of the actions of the state Labor government here in Queensland. We had to find a power that would allow us to ensure that people in Australia still had the right to freedom of speech.

**Senator FORSHAW**—I indicated that we support it, and I would say very clearly and openly that I did not think that the actions of the Queensland government in that respect should have been taken. But it did not specifically take away the right of freedom of speech. What it did was that it provided for sanctions and penalties, including criminal ones, potentially, for being involved in any Commonwealth inspired plebiscites. Councillors and mayors and everybody were still quite entitled to have their say and speak in opposition. I think we should just be a little bit restrained in saying that this is the end of democracy as we know it, notwithstanding that I agree that it is a serious issue. I also note that the Premier has now backtracked from that position and there is legislation going through the Queensland parliament to repeal that section.

You talked about freedom of speech across Australia. Can you tell me why, say, the local communities in the Northern Territory were not given any opportunity to have a plebiscite on issues to do with the location of a nuclear waste dump or the recent legislation relating to Indigenous people that was put through the federal parliament—decisions made by the federal government, which you supported, that directly affected the lives and rights of those people? I also remind you, and ask you to comment as well, that this legislation does not actually go beyond giving the Australian Electoral Commission the legal authority to conduct plebiscites where they are requested by a council. It does nothing beyond that in terms of stopping amalgamations or supporting them. In fact, the Prime Minister is on the record as saying:

... the Government is not expressing a view as to whether or not an individual merger should occur.

Would you respond to that? Why did the federal government not provide this same opportunity in cases where their own decisions directly affected the lives which you are talking so eloquently about now?

**Mr Bruce Scott**—The Northern Territory is an internal territory of the Commonwealth and, as such, does not have state powers. The Commonwealth does have powers over the Northern Territory—and the ACT, for that matter.

**Senator FORSHAW**—I asked you about allowing the people who live in those territories to express their views in a plebiscite.

**Senator IAN MACDONALD**—There is nothing to stop a local council in the Northern Territory having a plebiscite. There is in Queensland.

**Senator FORSHAW**—I am not asking you, Senator Macdonald.

**Senator IAN MACDONALD**—With the length of time you took to ask the question, I thought you were giving evidence.

**CHAIR**—Mr Scott, would you like to respond?

**Mr Bruce Scott**—There was not legislation in the Northern Territory preventing people from conducting a plebiscite.

**Senator IAN MACDONALD**—Absolutely.

**Mr Bruce Scott**—But in Queensland there was legislation that would prevent local councillors or mayors from conducting or in any way involving themselves in a plebiscite, in a poll or in seeking the opinion of their local ratepayers.

**Senator FORSHAW**—Did you offer to pay for the plebiscites in the Territory?

**Mr Bruce Scott**—There was nothing preventing them from conducting one in the Northern Territory.

**Senator MOORE**—At their own expense.

**Mr Bruce Scott**—At their own expense.

**Senator FORSHAW**—Are you sure about that? Is that the constitutional position as you understand it?

**Mr Bruce Scott**—The Queensland government put through a law, and had it signed as soon as they could once it came through the parliament to give it royal assent, that would prevent people from expressing an opinion. If local councillors were involved in that, they were going to be subject to a fine, a sacking and a possible criminal conviction. So that is a totally different—

**Senator FORSHAW**—Did that decision occur after the Prime Minister's announcement that they would bring in legislation to fund plebiscites?

**Mr Bruce Scott**—What decision?

**Senator FORSHAW**—The Prime Minister made his announcement about funding plebiscites in Queensland on, I think, 17 August—I have forgotten the date. When was the decision made by the state government regarding the imposition of penalties?

**Mr Bruce Scott**—You will have the shadow minister for local government appear. I am sure he will be able to give you the details when he gives evidence.

**Senator FORSHAW**—What is your position and the National Party's position on supporting a constitutional change to give recognition to local government in the federal *Constitution*? That would be a head of power that could be relied upon to put this legislation through and potentially to then enforce the results of plebiscites. This legislation does not do that.

**Mr Bruce Scott**—What you are talking about is recognising local government as a legitimate third tier of government in this country. Personally, my position is that I would support that. But that will not have any impact because it requires a constitutional change, a referendum of the people of Australia, so it is not anything that could be conducted prior to any decision of the state government affecting the proposed forcing of amalgamations.

**Senator IAN MACDONALD**—It is a view you have long held, if I remember correctly.

**Mr Bruce Scott**—It is indeed.

**Senator FORSHAW**—Is that true? You have long held that view?

**Mr Bruce Scott**—Yes.

**Senator FORSHAW**—Why did you vote against that very proposition in the House of Representatives last year, on 17 October?

**Mr Bruce Scott**—What did I vote against?

**Senator FORSHAW**—You voted against The proposition of an amendment that was put to a motion by Mr Lloyd. I can give you the details. Mr Lloyd moved a motion relating to local government. Clearly it was related to what was happening here in Queensland.

**Senator IAN MACDONALD**—I do not think it was.

**Senator FORSHAW**—It related to the issue.

**Senator JOYCE**—Twelve months ago, I think it was.

**Senator FORSHAW**—Yes, but it related to the issue surrounding the importance and the role of local government across Australia.

**Senator JOYCE**—Hopefully they are more focused now than they were 12 months ago.

**Senator FORSHAW**—Excuse me. You are obviously sensitive about the question.

**Senator JOYCE**—No, I am not.

**Senator FORSHAW**—Then stop interrupting.

**Senator JOYCE**—You were misleading the witness, because you made the proposition that it just happened, and it did not; it happened 12 months ago.

**Senator FORSHAW**—I did not say it just happened.

**CHAIR**—Senator Forshaw—

**Senator FORSHAW**—Excuse me, Chair.

**CHAIR**—No, Senator Forshaw, continue with your questions.

**Senator FORSHAW**—I do not like being verbally by senators at the table. I did say this was put. I asked Mr Scott why he—

**CHAIR**—Address your comments to Mr Scott and give Mr Scott an opportunity to respond.

**Senator FORSHAW**—You might tell your colleagues to stop interrupting.

**Senator IAN MACDONALD**—Chair, the question has to be slightly relevant to the inquiry before the Senate, and how Mr Scott voted on a motion about something completely different does not seem to be germane to this inquiry.

**Senator FORSHAW**—It is not irrelevant, I would submit. There is nothing in this bill, Mr Scott, that refers to local government plebiscites, is there?

**Mr Bruce Scott**—Which bill are you referring to?

**Senator FORSHAW**—The bill that we are dealing with. Is there?

**Mr Bruce Scott**—I thought there was.

**Senator FORSHAW**—You might have a look at it. There is nothing.

**Mr Bruce Scott**—It does mention the word ‘plebiscite’.

**Senator FORSHAW**—It does not mention ‘local government plebiscite’.

**Mr Bruce Scott**—It mentions ‘plebiscite’.

**Senator FORSHAW**—It mentions ‘any activity’.

**Mr Bruce Scott**—That was very deliberate, because under the state legislation that would restrict people’s right to express an opinion local councils could not have, for instance, gone out and sought the opinion of their communities as to whether they wanted fluoride in their water. They could have been fined, sacked and had an administrator put in because of that state legislation. So it was not just confined to local government. It was about the freedom of speech which is part of our democracy in allowing councils to act as they would see fit in relation to seeking an opinion of their community.

**Senator FORSHAW**—But if it related to a range of issues to councils then it must have been related to local government. There is no mention of it. I have a final point. I will come back to the question. You asked me about when you voted against this. It was on 17 October.

**Mr Bruce Scott**—I did not ask you at all.

**Senator FORSHAW**—You did. You said you had long supported it. I pointed out that you did not and you asked me when. It was on 17 October. You might care to check the *Hansard* record.

**Senator JOYCE**—Mr Scott, have you ever changed your mind on anything in your life?

**Mr Bruce Scott**—Yes, as time moves on you have to be flexible and think forward. Nothing stays the same forever. I certainly have changed my mind. I would be a pretty boring person if I was not prepared to listen to people.

**Senator JOYCE**—You would be an automaton, wouldn’t you. So other issues and new information, as they come to light, would certainly affect the way you vote on certain issues.

So there was a vote on a certain notice of motion, which we all know is a pretty insignificant statement. It was not a bill; it was a notice of motion. In light of the current circumstance, you would now have a vastly more definitive view of what you were voting on, wouldn't you?

**Mr Bruce Scott**—Since I have been able to look at the actions of the Labor government here in Queensland, I certainly would be wanting to, using that information, form an opinion based on the actions of the state government here in Queensland in relation to the amalgamation of shires against their will where I can see ramifications beyond what has ever been looked at in the past in any economic or social study. I certainly would want to see that the Commonwealth have some power to act.

**Senator JOYCE**—Do you find it perplexing that we have one member of a political party from a state that has a certain view, and all his colleagues from that state, being Queensland, in the Labor Party have a certain view, yet a whole group of other people from the same state, from the same party, have a completely different view, yet this is not contrived; this is a natural occurrence—or do you think there is some sort of duplicitous nature in that approach?

**Senator FORSHAW**—I raise a point of order, Chair.

**Senator JOYCE**—I am just asking a question. I think it is a relevant question.

**Senator FORSHAW**—My point of order is that Senator Joyce pulled this same stunt yesterday.

**Senator JOYCE**—I think—

**Senator FORSHAW**—Excuse me—let me finish.

**Senator JOYCE**—What is the point of order?

**Senator FORSHAW**—I am getting to the point of order.

**Senator JOYCE**—Hurry up.

**Senator FORSHAW**—There are standing orders that specifically restrain members of the parliament from implying or imputing improper motives to members of the federal parliament or a state parliament. I think you should take note. I am very relaxed about having a wide-ranging discussion here, but when you start accusing or making assertions to a witness about duplicitous conduct, I would suggest that that is starting to border on being contrary to the standing orders.

**CHAIR**—I am sure Senator Joyce will be mindful of his obligations.

**Senator JOYCE**—How do you feel about the sincerity of those two completely different approaches by the same people from the same party from the same state at the same point in time?

**Senator IAN MACDONALD**—More sincere than that point of order, I hope.

**Mr Bruce Scott**—I find it rather perplexing to see. You referred to the Leader of the Opposition and his comments in relation to the—

**Senator FORSHAW**—No; I thought he was talking about you and Senator Joyce.

**CHAIR**—Mr Scott has the call.



**Mr Bruce Scott**—I find it rather amusing that—

**Senator JOYCE**—Mr Rudd—I am allowed to say that, aren't I?—the Leader of the Opposition, has suggested a referendum, not a plebiscite, not at this federal election. He has not suggested that; he has suggested one at the next federal election, in about three and a half years time. Would that be of any use whatsoever?

**Mr Bruce Scott**—It would be of no use to those councils in my constituency. That is my concern as the federal member. A referendum in three and a half years time and then another two or three years to change laws that would allow some of these councils to de-amalgamate would be of no benefit whatsoever to these communities. I welcome and thank this committee for taking evidence here in Queensland, because this is a very serious issue. I had hoped that we would get cross-party support to put pressure on the state Labor government here in Queensland whereby they would go back to the drawing board and consult with communities. I had also hoped that there would be a social and economic impact statement provided before any further decisions or any further action was taken in relation to the forced amalgamation of these local councils.

**Senator JOYCE**—I want to draw your attention, because you have brought it up and it has already been discussed by Senator Forshaw, to article 19 of the International Covenant on Civil and Political Rights, which states:

Everyone shall have the right to hold opinions without interference.

Can you inform me, from your knowledge of politics in Queensland, what happens to a senator from the Labor Party if they dissent and cross the floor?

**Mr Bruce Scott**—My understanding is, as we have seen, even members of the party are expelled from the party because they hold a different opinion from that of the party itself.

**Senator JOYCE**—It is a pretty severe form of interference, isn't it? If you dissent, you are kicked out.

**Mr Bruce Scott**—With no right of appeal, I would suggest. And there is no right of appeal in relation to the forced amalgamation of these councils' proposed boundaries. There is no right of appeal. Even in redistributions of state and federal electoral boundaries there is a right of appeal, and public hearings are conducted. In fact, the act provides for two rounds of public appeal to those proposed boundary changes. Under this proposal there is none. I was talking to some of the local mayors in my electorate and they were telling me this time last year that they had seen the proposed boundaries, so what the government went through here was a total farce. The boundaries had actually been drawn up 12 months ago by the department of local government. Perhaps the shadow minister might be able to expand on that point too. There was not a process of consultation or listening to local communities at all. This was something that was being forced at a centralised level from George Street in Brisbane.

**Senator JOYCE**—In your opinion, do you believe that if people felt strongly that they were going to possibly compromise a chance at a federal election more pressure would be exerted upon Mr Beattie and he would change his mind?

**Mr Bruce Scott**—I do not think it is about political pressure in relation to the federal government's forthcoming federal election. I would rather see the Premier go back to the

drawing board because of the political pressure, the voice of the people, because he has not consulted. He has used the heavy hand of a unicameral parliamentary system to bring forward boundaries that are going to have far-reaching ramifications for local communities. If you look at the actions of the people in Barcaldine when he went up there, when the Tree of Knowledge was being taken out to be preserved because it had died—

**Senator MOORE**—It was killed, Mr Scott.

**Mr Bruce Scott**—It might have been killed.

**Senator MOORE**—It did not die of old age.

**Mr Bruce Scott**—Some people said that it died of shame. You should look at the actions of the local people. We must listen to the local people—that is what democracy is about. The largest march that Queensland has seen since the Vietnam War says something to me that the Premier and the Labor government here have got to listen to. I do not think that it has anything to do with the federal election at all. I would rather think it was about listening to people—and we are listening as local members—and that is why I am here today with my submission.

**Senator JOYCE**—How far will someone have to travel when 35 now becomes 16? What is the increase in distance that these people are going to have to deal with to get to the first level of government?

**Mr Bruce Scott**—It can be 300 or 400 kilometres just to get to your local council meeting to make representation in relation to an issue of your community. In fact, at the very first protest meeting that I went to, which was held in Barcaldine, people came 1,000 kilometres one way to be there. They were workers, Aboriginal stockmen, the CEOs of the council and community people, and that distance was one way. That is the issue of the tyranny of distance in Queensland and it has not been considered. Apart from all the other social and economic ramifications—

**Senator JOYCE**—The disenfranchising of the most marginalised.

**Mr Bruce Scott**—Yes.

**Senator MURRAY**—Mr Scott, I found your submission, both written and oral, very helpful and very illuminating. This bill breaks new ground very considerably in two respects. Firstly, it introduces for the first time into Australian federal law a formal process of a form of direct democracy—that is, the plebiscites issue. The second thing is that it seeks to deal with an abuse of trust. Australians trusted that they had the right to express an opinion freely and they had that trust abused. Effectively, by introducing elements of the International Covenant on Civil and Political Rights, some form of protection—partial only, I regret; I think it could be fuller—has been introduced. Those are two great milestones, I think. But you have rightly touched on a third area, and it was touched on yesterday. It is the question of a lack of review where a decision has been made on a false premise or in error, which is essentially your submission.

I want to refer you to a document we were given yesterday, which you may or may not have a copy of. I do not know if the secretariat has one available for you. Yesterday we were given an extract from the Local Government Reform Commission's decision on the Southern

Downs regional council proposed amalgamation. This is the only one we have which comes from that document. It is probably a bit difficult for you to get into the meat of it straight away, but I will make this point to you: if amalgamations are predicated on evidence that there will be greater benefits from amalgamations than losses, that evidence should be presented and summarised, not least for a money man like me, in a cost benefit relationship. Can I ask you—and if you do not have the opportunity to do it now, perhaps you can go away and write to us in a supplementary letter—to examine this document and tell me if you can see, because I cannot, any evidence that the amalgamation of Warwick Shire Council and Stanthorpe Shire Council will produce identifiable gains.

**Mr Bruce Scott**—Without having read the document, can I just say that I have spoken to both of those councils. I have probably spoken to most of my council mayors and groupings of councils since the proposal was put through the state parliament. A few councils were prepared to amalgamate into the doughnut type of shire. Do you know what I am referring to? Waggamba and Goondiwindi were proposing to come together anyway because they could see some economic benefit. They had done the work. But, in the case of Stanthorpe and Warwick, they did not see any financial benefit to their ratepayers or their community.

**Senator MURRAY**—I will draw your attention to a few words in that report and you tell me if any of them produce quantifiable evidence, such as, ‘You will save \$X million’ or ‘You will consequently create a better operation.’ It talks about economies of scale, a larger assets and revenue base, institutionalising knowledge—sounds good!—and enhancing capacity of new local government to engage with state and federal governments. Yeah, right. It says that structural inefficiencies will be addressed and better financial sustainability might affect the rate of depreciation. I do not see anything here that is evidence and therefore it would, *prima facie*, allow for an appeal in a normal case because there is not sufficient evidence to justify the actions being taken. My question is this: have you explored with your own Commonwealth government the question of whether rights of review and rights of appeal could be introduced into federal law, as a consequence of either implied or actual constitutional provisions, which allow for Australians to have access to justice in areas where they have been denied it?

**Mr Bruce Scott**—No, I have not explored the avenue of the rights of review or appeal at a federal level for actions of others—in this case, the Labor government here in Queensland. Just in listening to the words that have come from this report of the Southern Downs about structural efficiency, as you suggested, there is no evidence in there that the amalgamations will deliver.

**Senator MURRAY**—These are generalised jargon terms—

**Mr Bruce Scott**—They are, exactly.

**Senator MURRAY**—and they are meaningful in a macro sense. All we are talking about here, and what you have talked about, is micro—namely, local. That is correct, isn’t it?

**Mr Bruce Scott**—That is correct.

**Senator MURRAY**—Would you like the committee to consider the issue as to whether there is a mechanism by which the Commonwealth could institute a right of appeal to a judicial review body or something of that sort? The reason I ask you this question because, as

you know, this is a non-binding mechanism. It is a plebiscite. It is the ability for an opinion to be expressed. It does not have the effect of providing a mechanism for setting aside a decision which has been wrongly made. I am not saying the state government is wrong in everything, by the way. I believe there is bound to be a good case for amalgamations, but individuals should be entitled to have a decision reviewed if it has been made in error. That is why I put that question to you.

**Mr Bruce Scott**—I would be very happy for the Senate committee to review the right of appeal. I would suggest that in the case of the Queensland parliamentary system we have a unicameral system that is unique in Australia and where there is no review of decisions by a government and where there is no review mechanism as we have here with senators with federal legislation that is reviewed so often by committees and with often the fine tuning of legislation that happens in the Senate. Because of the parliamentary unicameral system in Queensland, I would think it would be beneficial in relation to the Queensland laws as are enacted by the state government. That does not mean everything they do is wrong. But I think with the situation here where we are dealing with local councils—and, sure, I spoke more of the micro impacts—I would hope that the committee might have even be prepared to look at the social and economic impacts of amalgamations in Queensland. That is something that really has not been conducted very broadly anywhere in the world. Perhaps there is an opportunity here for the Senate to conduct such an in-depth inquiry, even drawing on the Southern Downs Regional Council jargon that is in there that there has been be no economic benefit suggested for local government by the local government department of Queensland in the case of Southern Downs.

**Senator MURRAY**—Would you agree with me—and this is my final question—that in the same way as every Australian believes they have the right to express an opinion, this plebiscites bill effectively enshrines that every Australian has the right to have a decision reviewed if the decision has been made in its view in error and in a way which will materially affect their lives?

**Mr Bruce Scott**—Absolutely.

**Senator IAN MACDONALD**—So that I can follow the line of questioning, do you mean in addition to the Administrative Appeals Tribunal and to the judicial reviews act, which are already there?

**Mr Bruce Scott**—That is what I was going to mention.

**Senator MURRAY**—That is, as you know, for federal law. What we are dealing with here is state law. But the state law precludes appeal on these matters. There may be many instances where it might go to appeal and the appeal would be denied because the government has made the right decision. That is not my point. I do not want to prejudge an appeal. All I say is that the appeal process should exist—because when I read this it should be evidence based; it should say these are the very precise local reasons which you can quantify as to why this amalgamation should occur. It doesn't. Therefore to me there is a case for appeal but there is no process for appeal. If a state government will not provide it, can the federal government provide it? My view is it can.

**Mr Bruce Scott**—If we look at this in relation to the local government forced amalgamations in Queensland, as I mentioned earlier, there is no right of appeal. The people have got to accept this, unless we are able to, through the process of the Senate inquiry and other actions of the people of Queensland, force the Labor government here in Queensland back to the drawing board. There is no other avenue.

Senator Macdonald is absolutely right: at a federal level we have the right of appeal through the Administrative Appeals Tribunal on decisions of government in relation to a whole range of entitlements. In courts of law there are rights of appeal against the decision of a jury. But here in Queensland there is no right of appeal as to the forcing of amalgamation. There is no right of appeal as to this decision by the Labor government of Queensland. There is no review process, there is no economic impact statement, and so it goes on.

**Senator MURRAY**—So let us conclude. So you would like the committee to examine whether it is possible for this matter to be pursued further?

**Mr Bruce Scott**—I certainly think—but it is up to the committee obviously—that we should be conducting a review of the social and economic impacts of the forcing of amalgamation of local shires—

**Senator MURRAY**—Sorry, but—

**Mr Bruce Scott**—without an appeal process.

**Senator MURRAY**—You were giving me an answer I was not after. I want to know—

**Senator IAN MACDONALD**—He was asking the wrong question.

**Senator MURRAY**—Do you want us to look at the appeal process?

**Senator FORSHAW**—We always do.

**Mr Bruce Scott**—At the appeal process, yes, but I think you should also be looking at the social and economic impacts, because the federal government has a very real interest in local communities.

**Senator MURRAY**—But we cannot do that with respect to this bill. We have to report next Tuesday and we have got to say to the government that either we want them to look at the appeals area or we do not. If you as the local member think we should not, then I would not advance it in the committee.

**Senator FORSHAW**—I do not think this is confined to Queensland. I am not sure about all other states, but certainly in other states the ultimate decision on local government boundaries rests with the state government.

**Mr Bruce Scott**—I would be more than happy for the committee to look at the appeal avenues as they relate to the local government forcing of amalgamations in Queensland.

**Senator MURRAY**—Thank you.

**Senator MOORE**—As you know, the focus of this committee is purely on the 3½-page piece of legislation in front of us. Yesterday I asked our witnesses about their understanding of whether there is any federal role in the local amalgamations. I want to get it absolutely

clear. Under the current arrangements—constitutionally and in the legal process—in decisions about state government amalgamations is there any federal role to intervene in that decision?

**Mr Bruce Scott**—The bill that you are inquiring into now is an avenue for the federal government to provide a means for people to have their say.

**Senator MOORE**—That is a general process around plebiscites, and we have been through that. Because of the way the committee is operating, I am concerned that some expectation has been created that this committee is looking at local government amalgamations. Though there may well be some need for such a review, this committee is not doing that. I want to get it clear from witnesses whether they understand that.

**Mr Bruce Scott**—I do understand that and that is why I said that I hope the committee would at least look at a further inquiry into the social and economic impacts of forcing amalgamations.

**Senator MOORE**—Some committee would do that.

**Mr Bruce Scott**—A committee that will review, because that has not been done in Australia. The benefits have not been laid out in any of the legislation—the economic and the social. We do not know. I talk about the Tambo, the Aramac, the Tara and Southern Downs—a whole range of 35 shires in my electorate.

**Senator MOORE**—Does Tambo have a doctor?

**Mr Bruce Scott**—You would have to ask the CEO.

**Senator MOORE**—Because we had talked about pharmacists, it was just a general question about whether they had a doctor as well.

**Mr Bruce Scott**—I have just been advised that they have a visiting doctor for two days a week.

**Senator MOORE**—So they have a visiting doctor as well.

**CHAIR**—Thank you very much, Mr Scott. We appreciate your time this morning.

**Mr Bruce Scott**—Thank you, senators. Thank you for being here. It is very important.

[10.28 am]

**HOBBS, Mr Howard William MP, Member for Warrego and Shadow Minister for Local Government**

**CHAIR**—Welcome, Mr Hobbs. Would you like to make a brief opening statement.

**Mr Hobbs**—Thank you very much. First of all, I welcome the Senate inquiry into the Commonwealth Electoral Amendment (Democratic Plebiscites) Bill 2007. I believe it does give us a good opportunity to examine the bill, to look to the benefits of it and to look at some of the reasons why we are all here today.

I am the shadow minister for local government here in Queensland, and I have had long experience in local government over many years. These forced council amalgamations have been one of the most undemocratic and dictatorial acts by a Queensland government that I have witnessed in my time in the parliament. As background—and it has already been mentioned—no professional, academic, social or cost-benefit analysis has been done in relation to this exercise. It is like going out and buying a huge business and not looking at the books. Local government assets are valued at about \$86 billion, and nobody had a look to see what the impacts are likely to be at the end of the day. Nor did they really have a good look at what the social impact is likely to be on many of the communities and on the 37,000 employees.

The reports—and this is interesting—used as the reasons for the restructure have been found to be untrue and to have been manipulated. The state government has stated that councils will go broke within the next term of government unless they act now, and they cite a Queensland treasury document that financially rates councils. The weak category councils cited in the Queensland Treasury Corporation report were in fact sent to a firm of international administrators and receivers, McGrath Nicol. That company assessed the financial documents. They found, in fact, that the majority of those councils had financial ratings that were higher than those of some of the listed companies on our Australian Stock Exchange. They found that they were not at any risk of becoming insolvent. They found that they had ample time in the foreseeable future to in fact put in place remedial action should they be in trouble. Quite clearly, there was no evidence at all to show that they were in any financial difficulty.

The government used a PriceWaterhouseCoopers report on sustainability of councils across Australia. That was used to support their claim that councils were unsustainable and needed restructuring. The report of PriceWaterhouseCoopers did not examine councils in Queensland. In fact, they examined councils in New South Wales, Victoria, South Australia and Western Australia and, all but Western Australia, have faced mass amalgamations. So they examined councils that have been amalgamated and found they were unsustainable. Yet Queensland councils rated very high in that category, so they are the same level. So we were going pretty damned well. They found that the amalgamated councils down south had sustainability problems, so why on earth would we do it here?

The reality is that this has been a purely political exercise to divert attention away from major water infrastructure concerns, mounting debt levels in Queensland and the deal with the

unions to prevent the spread of Work Choices throughout Queensland councils. Amalgamation may be right for some councils and not right for others but, at the end of the day, the decisions of local communities should be accepted, not overridden by a government prepared to fine, sack, publicly humiliate, punish and make criminals of elected officials who are prepared to exercise their legislative and democratic rights for their communities to have a say. From what I can see, this bill will give our communities the right to have a say.

**Senator IAN MACDONALD**—A lot has been made of the fact that if councils around the Northern Territory or even Queensland wanted to have a say on Work Choices they are not being asked to do that. But your understanding of the Queensland law before this and the Queensland law as it will be as a result of this is that if councils wanted to have a say on Work Choices, they would be able to—until Mr Beattie's legislation. Is that your understanding?

**Mr Hobbs**—Absolutely. In fact, that was part of the legislation. It was always there that the councils have a legislative and democratic right to hold a poll in their community on issues they felt were important. That right was taken away.

**Senator IAN MACDONALD**—As an aside, for those of us who are not from Queensland, can you explain where your electorate of Warrego is and how many councils are affected in your electorate?

**Mr Hobbs**—My seat of Warrego is the same size as the state of Victoria. It runs just west of Dalby and goes to Mungindi and out to the South Australian border. It is one of the five big seats in Queensland. My colleague Vaughan Johnson from Gregory is here as well. Gregory is bigger again. I have nine councils in my region. They are facing some real concerns. Some of the councils in the far west will not be amalgamated simply because of the enormous fight they put up to the government to get that changed. At the end of the day, there is just no way that the government can see what is going to happen to those councils' workforce and communities. Stress and job losses are inevitably going to occur. As we all know, 11,000 have been lost down in Victoria. Jobs change from town to town. For instance, where I am, based at Roma, five councils are going into one. The towns from which councils will be removed will surely experience job losses in their regions. People will have to relocate, the value of their houses will be going down, they will have to pay more to get into other areas and it will really mean job losses, not job transfers.

**Senator IAN MACDONALD**—My colleague Senator Joyce raised an interesting question about whether this is a political exercise by certain politicians. A federal group of one party and a state group of the same party can have different views. I am wondering whether you are aware of any impact at local government level. Has this been a partisan thing at local government level or is it bipartisan because of opposition to this particular legislation which our legislation is trying to override?

**Mr Hobbs**—The vast majority of councils in the communities are vehemently opposed to what is happening at present because they have not had a say; there has been no real process. There are a few councils around the state who see themselves as the major centre. They are thinking, 'Maybe this will be okay for us.' They may end up with more staff coming in and perhaps creating more jobs in their region. They see it as a possible benefit to them but you



could probably count those on one hand, or two at the most. The other 148 to 150 councils are very strongly opposed.

**Senator IAN MACDONALD**—Even those that favour amalgamation still believe that their constituents should have a right to have a say on it?

**Mr Hobbs**—They do in the majority of cases. There are some councils that perhaps are political and may want to run the government line, but at the end of the day the majority, I am sure, would have no problem having a plebiscite in their town. I made the point the other day at the local government conference that it is fine for a council to say, ‘We from the council believe in amalgamations; we are happy with that.’ My point to them is to ask, ‘Does your community support you? I suggest you have a plebiscite as well.’ Having gone to the community you can say, ‘The council supports it and the community supports it.’ In many instances, I think you will find that the communities do not support them.

**Senator FORSHAW**—I want to get the time line straight so that we have it clear when we write our report. The Queensland parliament passed the Local Government Reform Implementation Bill 2007 on 9 August—I am looking at your submission and that is obviously correct. I think you said it was introduced on 7 August.

**Mr Hobbs**—That is right.

**Senator FORSHAW**—That was the day the Prime Minister made an announcement that he would take steps to allow the Australian Electoral Commission to assist in holding plebiscites for local councils that wanted them. Are you aware of that?

**Mr Hobbs**—Yes.

**Senator FORSHAW**—Are you aware that prior to this bill being introduced that power existed under the current Electoral Act?

**Mr Hobbs**—Under the Commonwealth act?

**Senator FORSHAW**—Yes, the Commonwealth act. You were obviously in the parliament. You state in your submission:

This legislation was further amended so that the Minister had the power to dismiss a Council if the Council conducted a “poll...

Was that amendment raised in the parliament during the debate on the bill?

**Mr Hobbs**—That amendment came in at a very late stage. It was virtually an overnight amendment that they brought in.

**Senator FORSHAW**—My understanding is that you had the Prime Minister’s announcement coincidental with the so-called reform bill—I will concede that for your purposes—being put to the parliament. It seems that what happened was that the Queensland Premier, reacting to the Prime Minister’s announcement, then amended the state legislation—

**Mr Hobbs**—That is correct.

**Senator FORSHAW**—to try, in other words, to put a block on the Commonwealth intervening in that respect.

**Mr Hobbs**—That is quite correct.

**Senator FORSHAW**—That goes through. So we then end up with this bill being brought forward on 16 August in the federal parliament to add in extra clauses which, while they do not mention local government plebiscites at all, would enable the federal law to override the state law. Is that correct?

**Mr Hobbs**—That is correct, yes.

**Senator FORSHAW**—So we have that clear. You also refer to the fact that, as we know, Mr Beattie said that the state government was going to repeal or amend the bill again to take out those penalty provisions. Where is that debate at?

**Mr Hobbs**—The Premier has in fact said that he is going to withdraw it. The bill has been put into the house.

**Senator FORSHAW**—Is that the Local Government Amendment Bill 2000?

**Mr Hobbs**—It would have to be 2007.

**Senator FORSHAW**—Yes, 2007.

**Mr Hobbs**—It would. Well, both of them were called that, but it was another amendment to withdraw that. However, it has not happened.

**Senator FORSHAW**—When did that come in? When was that introduced?

**Mr Hobbs**—It came in on the last Wednesday of parliament. We assumed that it was going to be debated on the Thursday; it was not. They had the opportunity to do that. Normally, you have a statutory period where bills lie on the table, but that did not happen.

**Senator FORSHAW**—We used to have those too.

**Mr Hobbs**—So they decided to put the bill into the house and that is it. The Premier also made a statement on that day about the Winton Shire Council wanting to have a plebiscite even though their boundary had not changed. However, the whole structure of their local government will change and they want to have a say. It is my view that the Premier was probably having two bob each way by saying, 'It is in the house and we are going to withdraw it.' But he has not and, quite frankly, none of us really believe anything that he says much these days.

**Senator FORSHAW**—Well, that is a nice political statement. I will not worry about that for the moment.

**Senator IAN MACDONALD**—It has not been debated.

**Senator FORSHAW**—I am asking. My next question is whether you have an indication as to when the bill is likely to come on?

**Mr Hobbs**—No. As I said before, there was an opportunity for the government to bring that bill on the next day. They forced the previous bill through; we assumed they would have forced this one through. They did not. We would assume that it will go up at the next sitting of parliament.

**Senator FORSHAW**—I have heard anecdotally that it could be next week.

**Senator IAN MACDONALD**—Well, you should give evidence then, shouldn't you?

**Senator FORSHAW**—No, I want to discuss this with the witness. It has been indicated to us that it will be dealt with next week. Is that your understanding?

**Mr Hobbs**—We do not know. We have no idea at all.

**Senator FORSHAW**—Okay.

**Mr Hobbs**—All we know is what the Premier has said and that is it.

**Senator JOYCE**—It sounds like a question for the manager of government business in the Labor Party.

**Senator FORSHAW**—Could I just be allowed to ask my questions? We do actually have to write a report about this at the end of the day. It is not just a political stunt by these people at the other end of the table who are worried about losing the next election. You state in your submission, and this is the state coalition submission to the body or whatever you call it and not to this committee:

... the merger or major alteration of boundaries of a local government should require a referendum in order to be changed.

We know that this bill only goes so far as enabling plebiscites to be held and to not be prevented by any action. What do you think should then happen federally? What does that statement mean about having a referendum to effectively, I would imagine, enforce the decision of the plebiscite?

**Mr Hobbs**—At the end of the day, this bill that we are examining now will give people a say. We would hope that people having their say may eventually force the government to recognise the will of the community and perhaps go back to the core of the issue, and that would be to have a referendum on the particular boundaries. There was a legislative process which was there in the past, until it was withdrawn by this government, whereby if councils wanted to have boundary changes or amalgamations the community played a part in that. That is all we are asking, that the community be able to have a genuine part in any restructure of their community, which is being denied to them.

**Senator FORSHAW**—So you think if we made a recommendation to that effect, because this bill does not provide for a referendum—

**Mr Hobbs**—Yes, that would be good.

**Senator FORSHAW**—Thank you.

**Senator JOYCE**—Mr Hobbs, I want to go back to your statement about two bob each way. How many Labor Party members are there in the state parliament?

**Mr Hobbs**—They have a majority of about 29.

**Senator JOYCE**—Have any of them raised an objection to the council amalgamations?

**Mr Hobbs**—In fact, what we are finding is that some are saying one thing to their community and another thing in the parliament. That has been documented. At the end of the day there seems to be a strong belief among the government that what they are doing is correct. It is quite amazing. When I travel around this state—and I have probably done 15,000 to 17,000 kilometres since 17 April—I have found there are enormous objections and a lot of those objections come from government members' seats as well.

**Senator JOYCE**—But in the chamber, has any state Labor Party member of parliament raised an objection to the council amalgamations?

**Mr Hobbs**—No.

**Senator JOYCE**—How do you explain that? Mr Swan, Mr Rudd, Ms Livermore, Mr Bevis, Mr Emerson and Mr Ripoll all think it is a bad idea, and they are all in the Labor Party, yet everybody in the state parliament thinks it is a good idea?

**Mr Hobbs**—As I said before, there was a deal done in relation particularly to Work Choices—that is the most significant one—to maintain that. There are 14 councils in Queensland that have been on Work Choices agreements, and some of those councils are big, like the Gold Coast, for instance. That seems to be one of the significant benefits the government seems to be pursuing. The minister stated recently that they are really waiting for the Etheridge Shire Council case before the federal courts at the present moment to try to implement a second phase of Work Choices agreements. The government have flagged they are going to set up a statutory authority—maybe one overarching one or perhaps one for every council—to employ council employees and the CEO so they can avoid the Work Choices arrangements.

**Senator IAN MACDONALD**—Is that documented? Is it in *Hansard*?

**Mr Hobbs**—There is information available. The minister has made some statements.

**Senator IAN MACDONALD**—In *Hansard*?

**Mr Hobbs**—Not in *Hansard*, no; outside the house.

**Senator JOYCE**—What do you think is motivating them within the one political party from one state, all being members of the one show, to have two completely different views in unison—all the federal ones believing that council amalgamations are bad and all the state ones believing they are good?

**Senator MOORE**—On a point of order, Chair: that is not true.

**Senator JOYCE**—What—some of them have problems with it?

**Senator MOORE**—The way you presented that is not accurate.

**Senator JOYCE**—Can you correct me?

**Senator MOORE**—We are saying—and that is very clearly our position—that the process is wrong.

**Senator JOYCE**—So which one of these—Swan, Rudd, Livermore, Bevis, Emerson, Ripoll—believe in the councils?

**Senator MOORE**—I am not going to intrude on the witness's time, Senator.

**Senator JOYCE**—I just wondered if there was one that had—

**CHAIR**—Senator Joyce, your question to Mr Hobbs?

**Senator JOYCE**—What do you think would be motivating them to have that form of tactic?

**Mr Hobbs**—There is obviously a strong bond between them for some reason. As I mentioned in my introductory remarks, there are serious problems down there in relation to infrastructure and the debt levels in Queensland mean that every Queenslander is going to owe \$150,000 soon—it is \$12 million interest a day. I think those sorts of things are really impacting on the government. It has to be that, plus the Work Choices arrangements. I think there is also another issue there in relation to the manipulation of the reform commission for those boundaries that will in fact flow on to the state electorate boundaries.

**Senator JOYCE**—I will be more direct. Do you think that it is contrived?

**Mr Hobbs**—There is no doubt about that. There is absolutely no doubt this is a contrived—

**Senator FORSHAW**—Do you want to sit over there and answer your own question, Senator Joyce!

**Senator JOYCE**—Premier Beattie and Minister Fraser are reported as saying that 43 per cent of the councils were unsustainable and would go broke unless they went into forced amalgamations. What does your research say?

**Mr Hobbs**—The research clearly shows that is absolutely false. The McGrathNicol report quite clearly shows that, while those councils might not have been strong, they certainly were not anywhere near in financial trouble.

**Senator JOYCE**—Do you believe the Local Government Reform Commission was given adequate time to fully examine the detailed submissions for a state as diverse and decentralised as Queensland?

**Mr Hobbs**—This is a very interesting question. The Premier talks about the reform commission—an independent reform commission. In fact, they are good people on there. I am not casting aspersions in any manner on them. The reality is this. Look at the terms of reference and look at the statements by the minister and the Premier as well as the second reading speech, which I did. I got a map of Queensland with the council boundaries. In fact, I drew what I thought they would have had to draw with those terms of reference. I came out very close to what they did. In other words, the instructions they gave the reform commission were to draw the boundaries the way they wanted them. That is quite clear. I do not think anyone can really deny that. It was simply a matter of just joining the dots.

**Senator JOYCE**—In Victoria, as you know, 11,000 jobs were lost in the council amalgamation process. What have the unions done in Queensland to protect council workers' jobs?

**Mr Hobbs**—They have done nothing, honestly, and in fact that is one of the reasons we could not understand it. I will give you some examples. For instance, if you have a town where you have five councils going into one, or eight going into one, there are clearly going to be administrative jobs lost in some of those towns. We could not understand why the unions were not coming out and making a noise, trying to protect those particular jobs. It obviously became clear why later on. It was because of the work choice arrangement they put in place. Obviously it is very important to them—that is, to the union—to try to restrict the amount of work choice deals that were done throughout the councils.

**Senator JOYCE**—This is my final question. Mr Rudd has proposed a referendum in about 3½ years time—not at this federal election but the next one. What use would that be?

**Mr Hobbs**—No use at all, really. We are far better off to have it now, when people will have an opportunity to look at the issues that are important to them right now. Having it later on would be of no use at all.

**Senator FORSHAW**—But you have asked for one in your submission.

**Mr Hobbs**—That is later on. That would be later on on a different subject.

**CHAIR**—I call on Senator Murray. Senator Murray, could we maybe keep it to five minutes, then we will have five minutes for Senator Moore. Then we will break for morning tea.

**Senator MURRAY**—Mr Hobbs, was this Local Government Reform Commission an independent body, appointed as an independent set of individuals to come to a conclusion under specific terms of reference?

**Mr Hobbs**—Yes, I think they were individual people and I suppose they were independent in a lot of ways. However, with the terms of reference they were given, they really had no choice but to come up with the answer that they did.

**Senator MURRAY**—Confirm my general impression that the state government's decision for amalgamations, subsequently enshrined in law, was mostly based on the Local Government Reform Commission's recommendations—wasn't it?

**Mr Hobbs**—Yes, it was.

**Senator MURRAY**—They have not set many of those aside.

**Mr Hobbs**—That is correct.

**Senator MURRAY**—That being so—and you would have heard my earlier questioning of Mr Scott—if the Local Government Reform Commission had made errors, in other words, if they had come to a conclusion which was not warranted on the evidence before them, that should therefore be subject to review and appeal in the normal way you would expect. The evidence we have had is that there is no appeal process. That is correct?

**Mr Hobbs**—That is correct.

**Senator MURRAY**—I want to turn now to pages 12 and 13 of your own submission. I have had a look at your summary of the amendments that you put to the Local Government Reform Implementation Bill 2007. I did not see in that list of amendments any amendment instituting an appeal process.

**Mr Hobbs**—Basically, the reason that was not done was because we were removing the actions of the dysfunctional process, therefore there would not be a need.

**Senator MURRAY**—I see. You did not have a fallback position or argue that there should be an appeal process?

**Mr Hobbs**—Yes, there is always an appeal process which would be in the normal legislation, that is part of the act. The act in the past always had an appeal process. In fact, it was subject to judicial review. This government has taken judicial review out of—

**Senator MURRAY**—So why didn't you specifically try to amend the act to put it back in?

**Mr Hobbs**—As I said before, we believe that by taking out the offending parts of the government's bill the rest of the appeal processes would still have been there.

**Senator MURRAY**—If I may say so, as one politician to another, I think that is a tactical error of yours.

**Mr Hobbs**—It could easily have been.

**Senator MURRAY**—Yes. Turning back to the problem we face, I think the federal parliament has to face issues of principle. I have heard a great deal of politics over these two days so far, but right at the heart of this, to me, is principle. The first principle is that people should be able to express their opinion, and therefore I support this legislation. The second area of principle is they should be able to get review where a decision has been made erroneously. I will ask you the same question I asked Mr Scott: would you support this committee recommending to the government that they try to find ways in which review processes can occur throughout Australia where they are lacking in state or territory legislation in defined circumstances such as these?

**Mr Hobbs**—I have not examined other issues, but certainly in relation to this local government issue I am sure that will be welcome. I am not sure about other examples.

**Senator MURRAY**—But you support the principle, don't you, that people are entitled to have judicial review where a decision has been erroneously made?

**Mr Hobbs**—Absolutely.

**Senator MURRAY**—I am not saying made in bad faith; I am just saying where an error has been made.

**Mr Hobbs**—Yes.

**Senator MURRAY**—You agree with that?

**Mr Hobbs**—I do.

**Senator MURRAY**—Thank you.

**Senator MOORE**—I am going to ask the same question, Mr Hobbs, in terms of the legislation that is in front of this committee. The legislation in front of this committee is not about local government amalgamations, and I am really concerned that people in the community could feel that this committee is actually debating the issue of local government amalgamations. Can I clarify what you believe this particular piece of legislation is about.

**Mr Hobbs**—The way I see it, this legislation allows our communities to have a say. It is a matter of what they have a say on. The reason for this, the background to it and everything else, is local government amalgamations, so the two are linked, I believe, whether we like it or not. I understand that this bill is about giving people the right to have a plebiscite, but I think all Queenslanders really believe that it is tied—unfortunately or fortunately—to this legislation.

**Senator MOORE**—It is incredibly important for the credibility of the process that there are not false expectations in the community about what the terms of reference are for the

committee. We are looking at the plebiscite process with the AEC. That has cross-party support and it will be passed. From that process, do you see any further role for federal government in the issue?

**Mr Hobbs**—I suppose we just have to do one thing at a time at this stage. Local government is a creature of the state and the state government has, I believe, acted very heavy-handed with local government. The Commonwealth have now provided us with another opportunity to have a say. Let us hope that the matter can be resolved here and that we do not have to go to further stages. There are external powers the Commonwealth government have that can be used and have been used in the past. That may be an avenue we need to explore. I think that would be fairly drastic, but it would certainly be one of the issues that I would be exploring if this is not successful.

**Senator MOORE**—My last question is about your comment in your submission and also your response to a question from Senator Joyce about the role of the unions. We had one of the unions give evidence yesterday. Their position is that—and I would refer you to the *Hansard* so that you can see their position—their role is to look at the conditions of service and jobs of their members. They see that their interaction with the various bodies to develop a protection package on conditions of service is their key role. Do you have a different opinion on what they should be doing? I am interested. If you say they have done nothing, what do you think the unions should be doing?

**Mr Hobbs**—In this particular case, the unions have done absolutely nothing. In fact, they were so silent people were wondering where they were. People were calling for them to come out and help them but they would not. Mr Ludwig has come out and told members of the federal parliament to keep quiet and leave Mr Beattie alone because of the deal they have stitched up with the unions in relation to Work Choices. I am not trying to play politics with this; it is purely the way it is. Why the unions would be prepared to burn 10, 20 or 30 members of a community in those various towns where councils have been disbanded and let them wither away and have no jobs in the future was beyond us. That is the reason why I say they did not do anything.

**Senator MOORE**—As you know from the Local Government Association conference the other day, there is a differing opinion on that. That is a position on their process but I am sure there is debate about what their role would be. I just wanted to get that on the record so we have that in the *Hansard* so that people can read it and see what is done.

**CHAIR**—I just have something to say in relation to something Senator Moore said about not giving false hope about the role of this committee and what it can achieve. Nevertheless, I think it is difficult when examining this legislation not to look at the context that gave rise to the necessity of this legislation. I would just offer that.

**Senator MOORE**—We have a really strong role with this committee in the Senate about being clear with the community about what our job is. It is always difficult when people do not really understand what we are looking at. I take your point.

**Senator FORSHAW**—I just want to go back. Mr Hobbs, when I read to you the quote regarding the requirement of a referendum, I was actually reading from your submission. It is correctly titled the Queensland coalition submission to this inquiry.



**Mr Hobbs**—That is right, yes. I think I said it was to the state government's inquiry, but it was to this inquiry.

**Senator FORSHAW**—That is okay. Just to explain a little bit more, had this whole thing been wiped out and councils had gone back to the SSS process, they would have worked through that and then had the referendum at the next election. But they would have worked through a process.

**Senator MURRAY**—I have one point. When Mr Beattie brings through his amendment to take away that prohibition in the act, it will therefore open up the opportunity for other amendments. Will you put an amendment for an appeal process before the parliament, because that would cut short this issue?

**Mr Hobbs**—I will certainly take on board what you have said. I stress at the moment that I see no reason why there could not be one. Thank you for the assistance. I will have a look at that.

**Senator IAN MACDONALD**—Mr Beattie has said he is going to withdraw this part of his legislation. If because of that the Commonwealth decided not to proceed with its bill because it is would be no longer necessary, what confidence would you have that Mr Beattie would then actually do as he said he would? Has he been consistent all the way through his comments on the Queensland bill so far?

**Mr Hobbs**—I would have absolutely no confidence in the Premier withdrawing that bill. I would have to see it withdrawn, thrown out and screwed up before I believed that he would do it.

**Senator IAN MACDONALD**—There is a suggestion around that, because Mr Beattie said that he was going to withdraw it, there is no need for the Commonwealth to go ahead and pass this legislation? You do not subscribe to that theory? You think it is essential that the Commonwealth proceeds with its legislation?

**Mr Hobbs**—I think it is essential that the Commonwealth does proceed with this legislation. And there are so many people who are impacted by it, in particular, an area that we have not really talked about, the Torres Strait. It has had 17 councils wiped out down to one. What is going to happen up there when they have cyclones, immigration issues or sickness breakouts? It is absolutely extraordinary how 50 years of local government can be wiped out without any consultation et cetera.

**CHAIR**—We will have to end it there. Thank you very much, Mr Hobbs, for your time. We do appreciate it.

**Proceedings suspended from 11.06 am to 11.24 am**

**GRAY, Mrs Jennifer Catherine, Councillor, Aramac Shire Council**

**BACK, Councillor John, Mayor, Ilfracombe Shire Council**

**BOND, Councillor Ailsa Alice, Deputy Mayor, Isisford Shire Council**

**GLINDEMANN, Mr Russell Peter, Councillor and Deputy Mayor, Jericho Shire Council**

**HAYWARD, Mr Robert James, Chief Executive Officer, Tambo Shire Council**

**CHAIR**—I welcome to the table the western councils group. Councillor Back, I gather you are representing the Remote Area Planning and Development Board as well as your council?

**Councillor Back**—Yes.

**CHAIR**—Would you like to make a brief opening statement on behalf of the board?

**Councillor Back**—If it is acceptable to you, Rob Hayward has prepared our opening statement.

**Mr Hayward**—Thank you for the opportunity to speak today and apologies from Dougal Davidson, the Mayor of Tambo Shire. He would have loved to be here today. I can only speak regarding the western Queensland region and how it relates to us. We entered a SSS process, which was an agreed five-year program. We engaged an independent facilitator and, as part of that process, we looked at strengthening our rapidly growing region. We looked at regional planning and joint purchasing. We are looking at prequalification for joint tendering on national highway projects. As far as attracting professional staff, our shires have already worked together over the last 20 or 30 years in sharing professional staff. We already share engineers, building inspectors, town planners and environmental health officers. So the issue of amalgamation is not going to help in that area, because we are already doing those things.

Part of that process was the QTC reports. As part of the QTC reports, the shires here—Aramac, Jericho, Isisford and Tambo—were rated in the top 15 per cent of the shires in Queensland. This process was abandoned and replaced with a commission which did not meet or even visit the affected communities. The state government has said that the communities had the option of making submissions; however, the chair of the commission publicly stated that, unless your submission recommended change, it would not be considered.

Good analysis considers the triple bottom line approach. The social and environmental factors were not considered, and only cursory consideration was given to the financial aspects. However, no financial modelling was conducted on the proposed changes to see if there were any cost benefits. When this was raised with the minister early in the week during the local government conference, he confirmed that no such modelling was undertaken to see what benefits there would be. In the report they use buzzwords like ‘economies of scale’, but when asked what these may be no-one can actually cite any examples. The recommendations are based on assumptions and not on sound financial reasoning. No referendum was held on the issue, and legislation was passed to prohibit councils holding a poll. The shires represented here today continued with their polls regardless. The polls of Aramac and Isisford shires returned 100 per cent against the proposed amalgamation. In Tambo and Ilfracombe it was 99 per cent against it, and in Blackall it was 94 per cent against it.

Communities are concerned because what the commission has not done is consider the uniqueness of our communities. We own and operate the banks, the butcheries, the bakeries, the health services, shops and real estate agencies, and we are also active in attracting new businesses such as sawmills, pharmacies, electricians, banks, plumbers and hardware shops. We do this by identifying a need and then actively approaching these businesses and offering incentives to attract them to the area. We provide subsidised rent, retail space, accommodation for their staff and, often, land for them to set up their new businesses. Certainly at Tambo we have done that in attracting the sawmill, which has brought an additional 12 families to the community. Also we are currently negotiating the sale of land to attract a caravan park, but that is on hold at the moment because the people are reluctant to invest before they know the outcome for our community.

As a result of all these things that we do, we have seen a reduction in unemployment—we have 0.7 per cent unemployment in Tambo—and we have seen an increase in the population. The population has increased because of the active role that all these councils have taken in promoting the communities. We realise that there will be no forced redundancies for the first three years; however, there is no guarantee that these jobs will be maintained in their communities. There will not be three separate rates offices or three separate payrolls, creditors, debtors or QA offices. Administration offices will eventually be relocated or drastically reduced. Simply, job relocations are equivalent to job losses to our communities, and these job losses will lead to a negative flow-on effect. I can say this with some certainty as we have seen this happen before. Our neighbouring shires of Morven and Augathella were amalgamated with the Charleville shire in 1995. The administration offices were closed, and both these towns have suffered a severe economic downturn and seen a very big decrease in the populations.

When you take the major employer out of a community, the flow-on effect is enormous. The result of the collapse of the wool industry in the early 1980s saw towns like Blackall lose 1,000 people within 18 months. They were not just the shearers, the pressers, the rousies; prior to that Blackall had five pubs, five agents, three banks, three shops and two butcheries, but within 18 months they had gone back to one butchery, one shop and one bank. So the flow-on effect is not just the people who work in the industry; there is a negative flow-on effect right across the spectrum.

The same can be seen in Tambo, Isisford, Aramac, Barcaldine and Jericho. Councillors try to carry the shortfall. That is why we have taken on the new roles. The result has seen stimulated growth. I appreciate that local government exists only because there is a community. This is true. However, the reverse is also true; our communities exist only because there is a local government. Communities are so reliant on councils, but we are working towards making communities not so reliant on the council being the major employer. An example is the Tambo post office, which receives approximately \$30,000 from the council for paper, cartridges, postage et cetera—money which that shop will not be receiving. Council did a survey of all our staff to see where they spend their money. It showed that our staff spent on average over \$10,000 a year at the corner shop. The point I make is that, if you relocate, even the administration office, you take six or eight jobs out of the community and that has a big effect on other small businesses.

It is not just the council which has identified this potential problem; the banks have as well. For instance, three homes in Tambo at present have been negotiated for sale. The banks have done a valuation and prior to them being sold the bank has put them on hold and wants to do a revaluation in the light of recent announcements. Our bank in Tambo has told us that, if we go, they will also close their doors. We approached them and gave them retail space and accommodation to get them to come to our town and we gave them all our banking business. Without the council, the number of transactions means it is not viable to keep that bank open. There are four businesses in town which that the bank also uses.

The proposed new shires are double in size and in some cases triple. Representation will be significantly reduced. Tambo will have only one councillor on the new proposed shire and therefore reduced representation. By having only four councillors and a mayor, it is hard to form a quorum. Most of our councillors are property owners. They shear and wet weather gets them bogged in. If we have only four councillors, it will not be uncommon to not have a quorum. We have six councillors and Blackall has eight. It is not a big expense. My councillors get \$88 a week to be a councillor. Because we have eight councillors we have great representation. We have eight people with different attributes representing different communities—one is a nurse, one is a landowner. We get really good representation with more people like that sitting around the table and we make better decisions. To have only one councillor coming from Tambo, with that person representing the entire region, we honestly do not believe that we will see the same development that we have been actively pursuing.

Finally, I wish to state that we, the bush councils, should be recognised for our uniqueness. We are not after a handout. We are financial and we are doing excellent work in rebuilding our communities. Let us continue with this. Let us go back to the SSS process, which we were working towards before. What the state has done is taken the communities' right to determine their futures. We believe the process is flawed and that in our region it will not make stronger councils; it will make weaker communities.

**CHAIR**—Before we move to questions, would any other council representatives like to make a brief statement on behalf of their council?

**Councillor Back**—To follow up on what Rob said and on the subject of the RAPAD board, I would really like to point out that in the past the RAPAD board has been very proactive and responsible for many approaches to government. They have been very successful for the region. Many of the projects that have come to fruition have been the result of a unified process. The whole business has led to a greater unification of all the shires in our area that are part and parcel of our RAPAD board.

However, amalgamations have already fostered a climate of some distrust and dissension throughout the amalgamating councils. I stress that is the ones that are being possibly amalgamated mainly, the ones that are being forced into the amalgamation situation. Immediately you start to look at the big fellow and say, 'What is he after here?' and so there is some distrust becoming evident. That is with regard to RAPAD.

On a slightly wider note, I would have to say that amalgamating a lot of the smaller councils and smaller areas will take away the enticement that is carried out by local leadership of local councils. If there is no-one in the town working to try to entice new businesses and

new ideas, obviously they are going to fall over. Moving all the power to one large central town does not help us in that matter. In our little town of Ilfracombe, as you have no doubt heard in other places, we do all sorts of things. At present we own the post office and the railway and run them both because they looked to be in danger of falling by the wayside. Previously they owned the store and some houses but once they got up and going again and got on their feet, they on-sold them, as is the case with both of those things.

I would like to speak on the divisions. Previously our three shires, Ilfracombe, Isisford and Longreach—the three which are to be amalgamated—ran to nine councillors in Longreach and six in each of Ilfracombe and Isisford. That gave us representation of 21 councillors. This has been reduced to six only and the problem we see is one of representation. Isisford is quite a long way from Longreach and there is a voting public of 178. Ilfracombe has 200 voters. These numbers do not come up to the required number for a one-vote, one-value concept. Although we had a meeting with Mr Beattie and Mr Fraser in Barcaldine and Mr Beattie said he would try to allow us representation on a community basis, this has not been the case. When the legislation went through they have changed it to do away with multimember divisions. We were given our divisions—which we had asked for—but not six out of six. This has led us into an extremely untenable position. The Electoral Commission phoned me three days before the due date when all the numbers were due in and things settled and I was asked for our estimation of what we would consider a fair or reasonable break-up of the new regional shire. He said, ‘I cannot see how we can cut this up; it is almost impossible’—and it is.

Longreach has 2,226 electors; we have 200; and Isisford, 178. The only way we could come up with a division of any sort at all was for Isisford to take the bottom half of the new regional shire. They would take everything south of the Longreach town, right over to the Winton Shire boundary. Ilfracombe, which is this one here, would take everything just north of the Longreach town, again, over to the Winton Shire, so those members would have a huge area to cover. The other four councillors would come from Longreach, which would have lines drawn through the town to give four divisions in that town—an untenable position for Pat Tanks, the shire mayor.

I can only say that we have had a meeting with the minister requesting that some sanity be brought into this situation, along the lines of community representation and a multimember division in Longreach. All parties would be happy. It seems that the only party that would not be happy with that situation is the government. As far as the one vote, one value concept is concerned, all I can say is that for the people of Isisford and Ilfracombe it would be one vote, no value, because very few of the people of Isisford are known to the population at large in that 2,226-electors electorate of Longreach. In Ilfracombe, although we are probably slightly better known, we would be hard put getting any representation there as well. I thank you.

**CHAIR**—Thank you, Councillor Back. Mr Glindemann?

**Mr Glindemann**—A lot of our situation is the same as Tambo’s. We involve ourselves in just about everything that goes on, whether it be HACC, CACP, child support, sports—you name it, the council touches it somewhere, either heavily involved or just involved. We went down the SSS process, the same as they did. All of a sudden, the rug was pulled from under that. We now find ourselves in a situation where we are amalgamated with Aramac and

Barcaldine, which gives us a total area of 50-odd thousand square kilometres for six councillors and a mayor to look after.

As John said, on the voting side of things initially we did request divisions and a name change. That proposition was put to us. Both Aramac and we wanted one or both; Barcaldine decided that they did not want either. To me, the biggest benefit for us would have been a name change so that, if we had to progress with this, we could start it off in a neutral manner so that it would not be seen by the public as the major centre being the controlling influence. I do not know if I am talking out of school here or not, but it appears that we are going to experience some difficulties in getting along with Barcaldine in the future. But we will see what happens as we go along.

In essence, the state, as I see it, have not given us any real reason, as was brushed on before, why we need amalgamations—the economic reasons why—apart from the fact that, in their advertisements, they tell us that the boundaries are 100 years old and they should be changed. To me that is no reason at all. But we have been given what we have to work with, and I suppose we just have to progress with it. On the referendum side, I know that the public in our shire in the two towns and especially the country people are very irate about not having been able to be involved in the process at all, when it does affect their community. That is probably about it.

**CHAIR**—Thank you, Mr Glindemann. Councillor Bond?

**Councillor Bond**—The Isisford Shire Council have a very proud community where the people like to have their say. We have another small town as well, Yaraka, down at the bottom end, which is 100-odd kilometres from Isisford. The amalgamations with employment are going to affect our schools and our social structure because there will not be enough people left to be on committees and clubs and to do all those things that the council picks up the slack to do now at various times. We—the council and the community—are involved in everything, and each and every member of our community is a very important part of that community. If we lose one family, that endangers our hospital, our school and our medical services. It is very difficult for the community at large not to have been able to have a say except in a local poll which we, the council, did ourselves. It came back that 100 per cent were against amalgamation.

On the other hand, if we have to be amalgamated, we will work with the other shires to try and do the best we can for our communities. But Longreach is nearly 200 kilometres from the town of Yaraka. Those people shop there and that sort of thing, so it is virtually a two-day trip to go and do your shopping unless you leave at four o'clock in the morning and get home at 10 o'clock at night.

I do not know what else I can say. We cannot encourage people to live in these communities without local leadership. They need to feel that they can go to someone they know and talk to them and basically feel as if they have a part in the governing of their own shires—the outcome of their futures, their schools and that sort of thing. If you take the schools out of a small community, you will never get anyone to go to that community, because most people have a family. Families come to these small towns for the safety, the lifestyle, the sea change—and if they can get a job there. The council is the largest employer

in the Isisford Shire. There is no-one else, really, to employ people on that large a scale. If the council is not there, there goes the small part-time job for the wife, maybe a little bit of extra money coming into a household which has four or five children, and that sort of thing.

I do not know. Small towns, I think, may survive. We are not on a local highway. We may survive, but on the other hand we may not. I do not know. Our community spends approximately \$500,000 a year in Longreach at the moment. If we do not spend that money there and if the people from our shire are not there, Longreach is also going to suffer. I do not know what else I can say. It has all been said here today. The council is a very important part.

I think our community totally oppose amalgamation, and they would like to have their say on the fact with an official plebiscite or poll to that effect. I would like to approach the government, if I can, or whatever, with an open mind to say that we would like to stand alone, if we could, and untouched. But we will work with Longreach and Ilfracombe, and we will do our very best. I can promise them that. Thank you.

**CHAIR**—Thank you, Councillor Bond. Mrs Gray?

**Mrs Gray**—The Aramac Shire Council wishes to thank the Senate inquiry today on behalf of the people of the Aramac and Muttaborra communities for the opportunity to discuss our views. Why did forced amalgamations happen? Aramac Shire Council is financially sustainable. It is in a strong financial position and is well-managed. We have a bright and secure future and we have a very strong community of interest. The QTC benchmarking report rated Aramac Shire's financial position as moderate with a developing outlook. This can also be seen with the infrastructure project of the Aramac-Torrens Creek highway. This project is significant not only for the value of the construction of work—some \$18 million to \$20 million—which will be carried out by the Aramac Shire Council and local contractors from our shire, but for the major positive economic benefits that will flow to the shire in the medium and long term from the opening up of the new main road for the tourism industry. This will have a lot of social and economic benefits for our towns. Not only that, but the inland route via Torrens Creek to Townsville and Cairns will reduce the distance travelled in comparison to the coastal route by some 1,100 kilometres. The Aramac Shire Council's sustainability benchmark report also rates the Aramac Shire Council as the same as the Rockhampton City Council.

In terms of the council and the community, there are so many areas of service provision in western shires such as ours which make us unique. The councils in the west are the glue which holds the communities together. Our council runs the bank and employs three staff to run the bank and Q-Gap services for our town, totalling some 430 services. The council owns and leases the bakery. How's this? The local plumber, when we did not have a baker, took over and kept the hot bread flowing. The council employs tradesmen—the plumber, the carpenter, the IT officer—and they are also available for people in our two towns. The council runs aged care, HACC and Meals on Wheels. It has 16 aged-care accommodation units for those people who do not wish to leave their towns—and why should they?

The council runs tourism in the shire. We have four museums and one art gallery in the two communities. We also run the Harry Redford Cattle Drive. Most of you would have heard about it. It is an event that happens every May. Our shire proudly accepted the Keep Australia

Beautiful heritage and cultural award out of eight finalists on Monday night at the Gold Coast. The council is the undertaker. The council runs dingo control. It employs a full-time dogger and runs aerial 1080 campaigns to support the graziers in our shire. The council runs emergency services. The council is a real estate agent. It leases 40 of the homes to state government departments, council staff, the general public and even to Queensland Health. The council also rents the doctor's surgery to the health department for a peppercorn rent of \$1 per year. The council supports all clubs. The council runs the TV channels. Our Aramac shire consists of some 23,361 square kilometres and has a total population of 672 people.

Country people have pride. We are tough. We accept change, but continuous drought, forced changes and unrest in our communities due to forced amalgamations with our neighbouring shires are not on the agenda. The Aramac Shire Council is the lifeblood and glue, as I have mentioned before, which keeps the shire and our communities sustainable and any merger with any other shires would be to the detriment of the ratepayers and residents of our towns. The economic and social contributions and the employment opportunities offered by the Aramac Shire Council are the reasons why our towns exist. The people of the Aramac Shire need to have a say. The people of the western shires need to have a say. They have a right to have a say on their future.

**CHAIR**—Mr Hayward, you made an opening statement on behalf of the western councils group. Do you have any comments that you would like to make about Tambo Shire?

**Mr Hayward**—No. It was adequately covered.

**CHAIR**—If someone had asked me a year ago if, as a Victoria senator, I thought that councils in central Queensland should be merged if they only had a population of a couple of hundred or a couple of thousand people, I would have said: 'Absolutely! You are crazy not to.' But I must confess that over the last few weeks, and from hearing evidence over the last two days, I have come to a different view. Something that particularly struck me was Mrs Gray talking about plumbers and bakers being provided by the council. Tambo's submission talked about how 12 of the 17-member SES team are council staff and two of the four volunteer ambulance drivers and 12 of 17 volunteer fire brigade members are also employed by the council.

**Mr Hayward**—Council is also the secretary for the SES and the fire brigade. We administer all of the funding and we make up the shortfall. We get \$2,000 in funding for the fire brigade and the SES. The council funds the difference.

**CHAIR**—That is very impressive. Is there no end to what the local council does? My question—apart from confessing that my view has changed over the last little while—is, to take Tambo as an example: if Tambo became part of a larger local government entity, do you think that there would still be an SES, a fire brigade service and an ambulance service provided in Tambo?

**Mr Hayward**—The \$2,000 a year funding that we receive will obviously go to the new council, which will be Blackall. The funding will be there but it is the people who actually carry out the work. As I said, when we see these people leave the district then we do not have those volunteers.

**Mr Glindemann**—The same applies to Jericho.



**Mrs Gray**—And Aramac.

**CHAIR**—For all the councils represented here, while theoretically the money might be there, you would not necessarily have the bodies—

**Mr Glindemann**—The people on the ground, yes.

**Senator MOORE**—Can I just restate that our committee is not looking at the amalgamation issue. It is very difficult because the issues that you are raising are extremely important and must be considered, but we are looking at that 3½-page piece of legislation that you have in front of you. I want to get that on the record. It is really difficult because I would love to engage with you about local government but that is not our job. From the point of view of the five shires, how would you see that legislation working in your shires?

**Mr Hayward**—The first point is that the state government has said repeatedly that this is what the majority of Queenslanders want, and we have obviously always said that, no, it is not. That is why we have moved to have our own referendum and that is why the subsequent amendment to the state legislation was passed—that is, to stop us from having our say. It is very easy to say the majority of Queenslanders want this when you do not have any evidence to the contrary. First of all it will give us the opportunity to have our say and at least go back and say, ‘Look, 80 per cent of Queenslanders don’t want this or aren’t happy with the process.’ But, if it came back that 100 per cent of people in Tambo wanted it, then that is fine. Then we would have had our say. But at the moment we are being denied that right.

**Senator MOORE**—I know that the local government association have had some discussion at their conference in the last couple of days about how it would work. Would your shires—and you are all impacted; none of you are untouched by the legislation—be looking at having them on the same day? Would you have the capacity to have this kind of discussion if it were not being funded federally?

**Mr Glindemann**—We already had one in place before it became illegal for us to do so. So, yes, and we will repeat that process and would have repeated the process and funded it.

**Senator MOORE**—Mr Glindemann, how much did that cost?

**Mr Glindemann**—I am not sure what it cost. It was a matter of a few thousand dollars.

**Senator MOORE**—So you are in a shire of about 200?

**Mr Glindemann**—It is 1,100.

**Senator MOORE**—Is that 1,100 in Jericho?

**Mr Glindemann**—Yes.

**Senator MOORE**—And you had your own plebiscite?

**Mr Glindemann**—Yes, it was a proper AEC one.

**Senator IAN MACDONALD**—Be careful. You might put yourself in jail!

**Mr Glindemann**—Yes, I know. That is why I am going around in circles about it!

**Senator MOORE**—Mr Glindemann, you are under parliamentary privilege at the moment, so that is fine. So you did that with the shire. And your expectation—

**Mr Glindemann**—Was that it was to be on 18 August.

**Senator MOORE**—This piece of legislation will be passed by federal parliament because, as you all know, it has full party support. We are due to put a report in on Tuesday and, when we reconvene, the expectation is that it will be passed. So there is no question about that; it has full cross-party support. When that happens, does Jericho intend to look at whatever comes out in guidelines, none of which we have yet, to see how it works and to look at having your own plebiscite?

**Mr Glindemann**—Yes, definitely.

**Senator MOORE**—What about Ilfracombe, Councillor Back?

**Councillor Back**—Ilfracombe will look at going ahead with this plebiscite when it is available to us. We also had put in place provision for a referendum before it became obvious that we could not advertise that fact. But it was all above board and would have been legal had we gone ahead with it. It was changed to a survey, as you have no doubt gathered from the percentages. And, yes, we will certainly go ahead with it.

**Senator MOORE**—What about Isisford, Councillor Bond?

**Councillor Bond**—Yes, we will go ahead with it. We also have in place a survey which was cancelled, but we did go ahead with a poll.

**Senator MOORE**—A phone poll?

**Councillor Bond**—No.

**Senator IAN MACDONALD**—It was the other way round. You had a poll planned and you went ahead with the survey.

**Councillor Bond**—That is right. That is what we did. That came back 100 per cent.

**Councillor Back**—I would like to add that, with regard to the planned referendum that we were thinking about, we had had enough donations and private money put in to cover it.

**Senator MOORE**—That was the way the council was handling it?

**Councillor Back**—Yes, our local community would not have paid one penny towards it through council.

**Senator MOORE**—That was the process you went through and that was publicly known? That is admirable.

**Councillor Back**—I think it was probably spoken of at a public meeting, yes.

**Senator MOORE**—What about Aramac, Mrs Gray?

**Mrs Gray**—Aramac will go ahead with the plebiscite. We have had a community survey, which 100 per cent returned.

**Senator MOORE**—You got them all?

**Mrs Gray**—We got them all.

**Senator MOORE**—Well done. What about Tambo?

**Mr Hayward**—We had ours recently. Even prior to the legislation being passed to prohibit councils, the minister tied our hands by saying he would sack the council because of misappropriation of funds—that it was a waste of taxpayers' money.

**Senator MOORE**—Is that in writing, Mr Hayward?

**Mr Hayward**—That was the verbal advice of the policy adviser from the minister. He has stated that in public.

**Senator IAN MACDONALD**—Did I hear you say it was from the policy adviser?

**Mr Hayward**—That was from the policy adviser but the minister himself had also said that. The legislation has now since been passed and obviously overrides that. In that instance, the cost of the poll was \$4,000. I actually paid for that out of my own pocket.

**Senator MOORE**—That was \$4,000. And that was the internal process you had put in place before this all happened.

**Mr Hayward**—That was for ballot papers and all of that. Then we were notified—

**CHAIR**—Mr Hayward, you said you paid for that out of your own pocket, your own personal finances?

**Mr Hayward**—Yes, out of my own personal pocket. And, given the opportunity of an official poll that would be widely recognised, I would do it again.

**CHAIR**—That is a very impressive commitment to your local community.

**Mr Hayward**—That was not the reason I did it, though. It was so that we could have the opportunity to have our say, one way or the other. My council were at risk of being dismissed if they did it themselves.

**Senator MOORE**—Those are the processes in the western shires—I do not know whether you are all from there but I include you all under that heading for my own safety because I know where you are. So when this legislation is passed and the AEC gets guidelines out, you will go ahead. After that is over, what do you think will happen? It is really important, from my point of view on this committee, to make it clear what we are looking at, but I am asking that question because I am interested to know what your expectations are.

**Councillor Back**—Obviously it is not binding on the Queensland government but I guess it is a case of what we hope would happen, and that would be that the Premier and his government would listen to what the people are saying—

**Senator MOORE**—Sure.

**Councillor Back**—given the appropriate result, of course—and hopefully would look at these amalgamations from a slightly kinder approach, taking into account the small shires which will really suffer greatly without their local government in place.

**Senator MOORE**—Sure. So it would give you the data to go back with your argument.

**Councillor Back**—Yes.

**Senator MOORE**—Does anyone else have a comment?

**Mr Glindemann**—Mine would be exactly what John said. You would hate to think that we all had a referendum and that was the end of it—you know what I mean?

**Senator MOORE**—Yes: everyone came to a party and then went home.

**Mr Glindemann**—Yes.

**Senator IAN MACDONALD**—You expect you live in a democracy, don't you?

**Mr Glindemann**—That is it.

**Mr Hayward**—Again I am just talking about our region but if the result was overwhelming that the community did not want it, and as there is a bipartisan view at federal level—where both parties are against this—then perhaps Mr Rudd would say to Mr Beattie: 'The people don't want it. We have identified that there is a problem with the process. It is not party policy. Can you please go back to—

**Senator MOORE**—That has already happened, Mr Hayward, in terms of process. It is really important that is clear, that that is out there.

**Mr Hayward**—I appreciate that—

**Senator MOORE**—You raised it.

**Mr Hayward**—But you have to have evidence to back it up, to say: 'It is not just us saying it. The community have made their voice very clear that they do not want this. Can we go back and have a look at the SSS process again.' Certainly the commission's report can be used as a starting point, but that is probably all it is—only a starting point.

**Senator MOORE**—It was not even halfway through.

**Mr Hayward**—It is not in any way substantiated.

**Senator MOORE**—You would understand the way we are asking our questions is specifically on the bill that is in front of us. There was a discussion at the Local Government Association about raising again the proposal to put local government, by referendum, into the Constitution. That has happened a couple of times before and gone down. We know that any referendum will be after this process—no-one is dumb enough to think that the referendum will happen tomorrow; that is not on the agenda. But on the proposal to put a referendum question to the Australian community about the role of local government being in the Constitution, would any of you like to comment on that for the record? You do not have to; if you would like to, you can.

**Senator IAN MACDONALD**—I think that is LGAQ policy and ALGA policy, isn't it?

**Senator MOORE**—It is Labor Party policy too, Senator. I felt people could have their own say.

**Senator IAN MACDONALD**—I have never seen the Labor Party promoting it terribly much.

**Senator FORSHAW**—We put it to the electorate—we put a referendum up.

**Senator MOORE**—Can we hear from the witnesses? That would be nice.

**CHAIR**—Order!

**Senator FORSHAW**—Chair, Senator Macdonald is interrupting all of Senator Moore's questions.

**CHAIR**—No-one is entirely pure here, Senator Forshaw. If someone at the table would like to respond to Senator Moore's question, they can do so.

**Mr Hayward**—As was said before, Paul Bell of the LGAQ has put their position on that. I must admit I do not fully understand the implications of the constitutional side of it, so I probably could not comment.

**Senator MOORE**—I think it is important that that debate is had. We had evidence on this yesterday and I know you will be interested in looking at the *Hansard*, when it becomes available, about these meetings. There was some discussion yesterday with some witnesses that it may have fallen off the agenda but that this whole process has brought it back, so people are interested in looking at the whole process again. Thank you, and if you have any further comments please let us know.

**Councillor Back**—I would make one small comment that probably does not exactly follow your line. It is simply that in all of these western divisions and in all of these western shires we are very fortunate that there is no politics. We do not have a party line. There is no party politics. We are somewhat out of our field here when we are getting mixed up with party politics.

**Senator MOORE**—Councillor Back, we will talk about that outside because I could talk about this a lot. But I see the point. You are saying that party politics as such is not directing your decisions.

**Councillor Back**—Within council, no.

**Senator JOYCE**—Having a plebiscite does assist in some form, does it?

**Mr Hayward**—Certainly.

**Senator JOYCE**—Because it gives you ammunition and a better case to put forward?

**Councillor Back**—One would expect so. As I said before, it is putting it out in the open before the state government. One would hope that common sense would prevail with regard to this thing.

**Mr Glindemann**—There have been a lot of statistics bandied around that may or may not be correct. I think that the plebiscite result would be a true indication of the feeling of the public.

**Senator JOYCE**—What is the party that makes up the state government in Queensland?

**Councillor Back**—Would you repeat that, please?

**Senator JOYCE**—Yes. What party controls the government in Queensland?

**Councillor Back**—The Labor Party.

**Senator JOYCE**—So the Labor Party can actually fix your problem, can't they? Senator Moore is right: federally we probably cannot do a lot. But the Labor Party can certainly fix your problem, can't they?

**Councillor Back**—Absolutely.

**Mr Glindemann**—There is nothing to be ashamed of in a reversal of policy.

**Senator JOYCE**—Can you suggest some people in the Queensland Labor Party who might have some influence in being able to change that policy federally?

**Councillor Back**—Well,—

**Senator FORSHAW**—Having said that you did not want to get involved in politics!

**Senator JOYCE**—We are finding a solution here. This is why we are getting into this. We are finding a solution, and this is why we are raising the ire of some of my colleagues here.

**Senator FORSHAW**—You're wasting our time.

**Senator JOYCE**—No, I am not actually.

**Mr Hayward**—As I said a minute or two before, it will be hopeful as to the bill when we have those statistics to go with. I appreciate that Mr Rudd has actually spoken to the Premier about it. However, at this stage the Premier's line is that the majority of Queenslanders want this. We are hoping that Mr Rudd will be able to go back to say, 'Look, obviously you've had the survey. Quite clearly the communities don't want this for valid reasons. This is not the party position.' He will then try to force home the party position.

**Senator JOYCE**—Mr Rudd believes in cooperative federalism. Would that entail at least having an effect on Mr Beattie? Cooperative federalism would surely entail that you would have some effect on Mr Beattie. Wouldn't that be a fair comment?

**Mr Hayward**—You would hope so.

**Senator JOYCE**—It would be a pretty bad indication if he had no effect on him, wouldn't it?

**Councillor Back**—Absolutely.

**Senator JOYCE**—There are towns here that are actually going to—

*Senator Forshaw interjecting—*

**Senator JOYCE**—Have you got a comment?

**CHAIR**—Proceed, Senator Joyce.

**Senator JOYCE**—I just thought he might have something to say and he might be able to help us. Do you have another comment, Senator Forshaw?

**CHAIR**—Senator Joyce, your question please.

**Senator JOYCE**—It is something funny because he's laughing, although it can't be too funny. Towns like Isisford will hardly exist, won't they? This is going to be devastating.

**Councillor Back**—Absolutely, with such a small number of people and given the distance they are from Longreach, which will be the new centre. Most of them are very poorly known up there. As the workforce will naturally be moved about within that larger regional shire, it stands to reason that their numbers are going to dwindle.

**Senator JOYCE**—What would be the mean price of a house in Isisford as a rough idea of the people we are affecting here? If I wanted to buy a three-bedroom house in Isisford, what sort of money am I looking at?

**Councillor Bond**—You wouldn't buy one to start with, because there are none for sale. There is not a house to be bought in Isisford.

**Councillor Back**—At present.

**Councillor Bond**—At present.

**Senator JOYCE**—I will change the question around. If you pull the council out and you try to sell, what are you going to get?

**Councillor Bond**—You would not get very much, because there would be no work there. There would be no enticement for anyone to come to a small town. The council owns most of those houses in Isisford.

**Councillor Back**—You would hope that you would get \$70,000 for a house in a reasonable dwelling in Isisford.

**Councillor Bond**—You would hope so, yes.

**Councillor Back**—I think that would be your top number. I do not think they cost a great deal more than that at present.

**Senator JOYCE**—That is with the council. What would you get without the council—if you took out the major employer? What I am saying is that people's savings are going to be lost as an effect of this decision going forward.

**Councillor Back**—Pick a figure, really. I would imagine that if you pull half a dozen people out of a little town like that, there is just going to be no market really, because people are not going to be coming into the place, are they? You would probably be looking at anything from \$40,000 to \$50,000, if you were lucky.

**Senator JOYCE**—I am thinking of other towns, such as Dirranbandi, where, once the major employer had left, house prices went from \$70,000 to \$80,000 down to \$5,000.

**Mr Hayward**—It is a good question. Probably 10 years ago in Tambo the average house price was about \$40,000. By bringing the sawmill in—an extra 12 families there—as well as all the other things we have spoken about, the house price up until probably 2½ years ago went up to \$80,000 and now the average house price in Tambo is \$120,000. It is because the council in that community has stimulated economic growth, attracting people. House prices have gone up. You take the council back out of that community and we will be back where we were 10 years ago, with houses selling for \$40,000. The real shame is that over the last three or four years there has been a real buzz in these communities. House prices were \$40,000 and people were not going to spend money on extensions or paint their houses, because it was going to be a capital loss. They were never going to make the money back. But if you drive through these towns now, there is a real buzz there. The towns look really good. People are doing extensions, they are painting their houses—they are starting to see that they will get a return back on their investment now. That is the real shame of the matter: we are actually getting somewhere; we have turned the corner. Now we are going to be back where we were 10 or 15 years ago.

**Senator JOYCE**—So if your main form of savings is in your house in one of these towns, this decision is going to bring about a form of destitution almost.

**Mr Hayward**—There is no compensation.

**Senator JOYCE**—The councils have been instrumental in actually inspiring the employment growth in a lot of these areas. They have been proactive.

**Councillor Back**—Yes.

**Senator JOYCE**—Can you see any logical reason why a process that is working and delivering results would be threatened? What would inspire the decision for amalgamation? There is no reform in this; there is no upside. What do you believe has inspired this decision?

**Councillor Back**—I can answer that or try to. In my book, I think that, with due respect to various parties here, local government in Queensland generally has been the springboard or starting point for many people in the Liberal or National parties. They have come from this area. I believe that it is a direct attempt to continue to stifle the production of the opposition benches at present.

**Senator JOYCE**—This sounds very Traveston Dam-ish. With Roads to Recovery money, what sort of increases have you had lately—having the capacity of local government authority to be particular about where those roads go rather than around a centralised hub, which is what will happen with a centralised council system? How many kilometres of new seal have you put out?

**Mr Hayward**—Roads to Recovery has been very successful—in Tambo Shire certainly. It gives us the ability to fund projects that we probably would not have been able to fund ourselves. We are talking about crossings and the like. We obviously fund the depreciation and maintenance. We are getting \$230,000 a year to spend on our rural roads that we probably were not getting before.

**Senator JOYCE**—So mechanisms for getting improvements in particular areas will be affected by council amalgamations. Obviously the political weight will start to go towards a central point rather than spreading it out over a range of areas.

**Mr Hayward**—Not just with roads, but any of the services go on who has the numbers.

**Senator JOYCE**—Has anybody suggested what package they are going to offer you when the financial footings of these towns are pulled away and you obviously will get collapse? Has anyone suggested some sort of state government financial package to assist people to move—I suppose they want you to move to Brisbane where everyone else is going.

**Mr Hayward**—Are you just talking about staff or about the general public?

**Senator JOYCE**—Staff, the general public. It is not going to be just staff; it is going to be every business that falls down when the council goes. Have they suggested where they want you to move?

**Mr Hayward**—Obviously the staff remuneration was released this week but there is no compensation for the community for the loss of value in a house or business. There will not be any assistance there but certainly staff have redundancy packages of two weeks for every year of service plus your entitlements with a 10-week bonus on top of that if you take it when it is offered to you. They have also said—I did not realise it was going to be in there—that



they will pay relocation expenses, say, if the payroll person had to move from Tambo to Blackall. Beyond that, no.

**Senator JOYCE**—Is there the capacity, when they all move to Blackall, for those positions to be absorbed, for them to have employment there? When the structure of Tambo is affected, is there the potential that all these people can sell up their houses and move down the road to Blackall?

**Mr Hayward**—No, and the shame of it too is that when people quit their job they are not going to move to Longreach, Blackall or one of the bigger centres; they are going to go to the south-east corner and we will lose those people to the whole west of Queensland.

**Senator JOYCE**—Who are the people who are going to be left behind in those towns? What is the predicament for them?

**Mr Hayward**—We would all probably say the same thing—we are looking at the aged, the elderly.

**Mr Glindemann**—The ones who cannot afford to go anywhere.

**Senator JOYCE**—The most marginalised, the most disaffected will be the ones most compromised by this decision.

**Mr Hayward**—Yes.

**Senator JOYCE**—You would say that there is an intense moral precedent as to why people should be pushing for this decision to be changed.

**Mr Hayward**—Not just morally obviously. We are not basket cases either financially. We are able to stand on our own two feet. It is not as though we are going broke. We are not asking for any handouts; we just want to get on with the job.

**Senator JOYCE**—The repercussions affect the most disaffected. They are the ones who have to carry the greatest weight at the end of the decision and that does become a moral decision. There should be immense political weight on those who have the capacity to do so to change it.

**Senator MURRAY**—I thank you all for your evidence. It is very impactful and helpful. You are placing a lot of hope and weight on the belief that a series of plebiscites across Queensland will produce a positive vote which will tell the state government that the majority of Queenslanders affected by the amalgamations—not necessarily the majority of Queenslanders but a majority of those in the shires and councils affected—will oppose this. That then comes back to the practicalities of your questions. What question do you propose to ask in your plebiscite? Will you have the same question or questions? Have you discussed that? Are you going to be coordinating with the Local Government Association?

I am going to set a series of questions so that you can answer in full. There is some concern that a simple yes, no—in other words, you are against or for amalgamation—will be insufficient because the state government will say, ‘What do you want?’ and some councils or shires do want expanded boundaries. They are prepared to take on different shapes and so on. The question is a multipart question.

The question is also one of fairness as to whether you will put a yes or no case so that people are able to have information before them to answer both sides. I am trying to set the scene of the complexity. I should indicate just to assist you that I put these questions yesterday to the Mayor of Noosa and he was very clear. He said: 'I am going to make this as simple as possible. I just want a yes or no about the council amalgamation.' That might suit Noosa, but it might not suit you. Could each of you can answer that in your own words as to how you will approach this matter.

**Mr Hayward**—Obviously I had to leave the conference early to come back up here. I drove yesterday, so I missed yesterday's session at the coast. But prior to my departure we were looking for agreements to have the poll on the same day state wide, coordinated by LGAQ and run by the Australian Electoral Commission. Obviously you will have the yes or no cases. The question itself was up for debate yesterday, but they were going to go with the general consensus. It will be: 'Are you in agreeance with the new proposed boundaries for your shire?' I am not sure of the actual wording; I left before they came up with that. But it was going to be a state-wide question.

It is probably interesting to point out too that, while we have all actually had our polls out, this was not push polling by any stretch of the imagination. The yes or no case was the one we had already run in our surveys. We presented the yes and no cases to the community as well. It was very fair. We said: 'This is what the state's reasoning is. This is ours.' I just want that on the record. The surveys that we have previously conducted were not push polling. Equal weight was given to the yes and no questions.

**Senator MOORE**—Can we get copies of those questions from all of you? In terms of the information and the various methods that you have used, if we could get copies of what you have done that would be great. It was not with the submission.

**Senator MURRAY**—In making that request, through the chair, in theory we have to report next Tuesday. So if you could send them urgently by post—that is, the survey you put, the questions, the yes and no cases you have already put and the survey answers—it will help inform the report.

**Mr Hayward**—Are you asking for the ones that we used last time or what we are proposing to use if we are allowed to go ahead? It will be different.

**Senator MURRAY**—Give us what you used last time and, if you could, through your Local Government Association sources, give us what they are proposing so that our report is as up-to-date as possible.

**Mr Hayward**—I will get Greg to send that through.

**Senator IAN MACDONALD**—I do not want to be melodramatic about this, but we are perhaps asking the councils to put on the public record a process which is currently illegal in Queensland. I am not sure that we should ask the councils to do that.

**Senator MOORE**—It is under Hansard privilege.

**Senator MURRAY**—It is up to the chair to rule but, on the point of order—I will take as a point of order the point that Senator Macdonald is making—in my view, these are privileged

hearings. Any submission you make to us attracts privilege and therefore you are under no threat whatsoever. But the chair is open to rule.

**CHAIR**—My understanding is that it would be covered by privilege but we will check that. Maybe if we could put it to you on the basis that if you feel you are able to, please provide that to the committee.

**Senator FORSHAW**—Chair, on the point of order—or I will make another one if I have to—would I be correct in understanding that these surveys were undertaken prior to the amendment that possibly could have prevented them from being held being carried by the state parliament?

**Mr Hayward**—They were obviously following the guidelines set down in the Local Government Act. We had to advertise notification to enrol by a certain date. Once we did that, obviously that is what instigated the subsequent legislation being passed. But we were told prior to that—even before the legislation came out—that, since it did not carry any weight, the state deemed it to be misappropriation of funds and we would be subject to discipline anyway. But we still went ahead.

**Senator IAN MACDONALD**—On the question of privilege, if I admit today that I murdered someone yesterday, does that mean that I cannot be charged? I do not think privilege covers criminal offences. It is something the secretariat should get some advice on.

**CHAIR**—Senator Macdonald is quite right. It does not provide retrospective protection for an act. The committee secretary has undertaken to seek advice.

**Senator FORSHAW**—Chair, I have a point of order. I do not wish to place any of these witnesses in any jeopardy whatsoever. I never endeavour to do that and I am always conscious of it. Senator Macdonald is a lawyer and I have qualifications and we take these issues very seriously. But if it has been introduced into evidence and it has been acknowledged that surveys and the equivalent thereof have been held, and all that evidence was volunteered—

**Senator IAN MACDONALD**—But you are asking for something more now.

**Senator FORSHAW**—No, we are asking for the detail of the type—

**Senator IAN MACDONALD**—Exactly.

**Senator FORSHAW**—The reason is that one of the issues that arises is the very question that Senator Murray has been asking—and this arose yesterday as well—that is, when this act is passed, how will these plebiscites be framed? What role will the AEC have in constructing questions? Members of the standing committee have an interest in not just passing this bill and then forgetting about it but in seeing how it is implemented.

**Senator IAN MACDONALD**—I do not want to carry this on because I have questions to ask yet. I am happy to leave it with the secretariat to give advice. I was concerned that we are putting in writing specific details and questions—not melodramatic but technical—it is perhaps—

**Senator FORSHAW**—They can be provided in camera if you like.

**CHAIR**—The committee secretary is seeking advice. I am confident that Tambo Shire Council will seek to be as cooperative as possible—that if they feel they are able to provide

that, they will. At the moment it has been put in terms of a request from this committee. We can always seek to push a request, but I do not think the committee is seeking to do that at the moment. We might leave it on an informal basis, where we will seek advice from the committee secretary. If, in light of that, Tambo council feel they are able and comfortable to provide it then I am happy with that.

**Senator MURRAY**—Subject to the chair's advice, the simple question is that we would like from all five of you advice on what has been done and, as far as you can provide it at this stage, what will be done with respect to plebiscites.

**Councillor Back**—Certainly. My response—and I think the response of my fellow councillors—is that, subject to advice from our solicitors, King & Company—with their approval you will certainly have it.

**Senator MURRAY**—Thank you.

**Mr Hayward**—With regard to where we go from here, at this stage the line the LGAQ is taking is to try to have a same-day one. We will take advice from LGAQ—if that is the way we go ahead. At this stage it looks like we will be having one on the same day.

**Senator FORSHAW**—Is voting compulsory at local government elections in Queensland?

**Mr Hayward**—Yes, it is and it is up to the council whether they want to enforce penalties for non-voters as well. Council passed that resolution. So, yes, it is compulsory.

**Senator FORSHAW**—A question just occurred to me about what form the plebiscites will take. If they are conducted by the Electoral Commission, will it need to be compulsory voting? With respect to the plebiscites and the surveys that you ran—you got an overwhelming response and I can understand that—were they sent to all ratepayers? How did you conduct that? I am conscious of Senator Macdonald's point, but did it seek to involve the entire community?

**Mr Hayward**—Just before I answer that on behalf of you guys, we should keep in mind that the actual bill that was passed by the state was very specific. It said that if you followed a due process, even if you did not call it a poll but rather a survey, then you were actually acting illegally. I do not know if we can answer that in regards to the process that was followed.

**Senator FORSHAW**—I will not press the point. I am actually interested in the bill. We are very interested in all of the information and material that has been provided by you.

**Mr Hayward**—We tried to make the poll as credible as we could. We ran an ad calling for electors to get on the roll. They all went out. I know me how many went out. I know how many voters I have got in the shire and how many came back. So we tried to keep it as credible as we could. Without going into too much detail on the process, it was credible. We gave both sides of the story.

**Senator FORSHAW**—There has been a lot of evidence put to us—and we have listened and we understand the basis and the reasons for it—on why these amalgamations should not occur and should not be forced. I am hearing that, first of all, there is total opposition to forced amalgamations without the communities having a say—and that is what this bill deals with to an extent—and, secondly, there are arguments being put forward that the amalgamation should not occur in any event except for where there might be a couple of areas

in the state where people might agree. They are the 'doughnuts councils' that were referred to. There are also some boundary changes that we heard about yesterday such as at Noosa. One of the reasons why we are here and why we supported having this inquiry, even though there is bipartisan support for this bill and it could have been put very quickly pretty much when we were sitting on the last occasion without the need for an inquiry, is that we want to give people the opportunity to have their say. But you are having a say about whether or not at the end of the day there should be amalgamations, forced or otherwise, and you are totally opposed to that. What I want to know is: do you know whether or not the federal government, either the Liberal Party or the National Party, has a position either in support of or in opposition to amalgamations for local government in Queensland?

**Mr Hayward**—Probably not at this stage. I have been asked that question by the community as well. The answer I gave them was that I guess they want to know what the people want. It is pretty hard to make a decision until you know what the people want. If it comes back that the majority of Queenslanders want this then that is great. If they would actually come in and make changes now not knowing what the Queenslanders want then that is no different to what Peter Beattie has done to us now.

**Senator FORSHAW**—I have a slightly different view to what was put by Senator Fifield at the start. He said that if you had asked him 12 months ago about small councils with a few hundred people then he did not see too many arguments why you should not put them together and amalgamate them. I can see the logic of that on paper.

**CHAIR**—I have a different view now.

**Senator FORSHAW**—And that was what I was about to say: you have now expressed a different view on the basis of the evidence. My position would be that I think that, at the end of the day, the communities themselves should decide—and that is what we are trying to get to—in conjunction with the appropriate arm of government, which happens to be the state government. That is the way the process should operate. It should not be me, and I do not think it should necessarily be this committee, that tells the people Queensland what the result of these plebiscites should be. We may understand from your evidence what they are likely to be, and that is what the Prime Minister has said. He has made it very clear that the government is not expressing a view. I am concerned that there may be a belief that somehow this committee and the current federal government is telling them that there is a position. Do you know if the federal government is in favour or not in favour of amalgamations in Queensland?

**Councillor Back**—I do not know that officially, sir. I feel that they are into this thing now because of the lack of democratic principle in its application.

**Senator JOYCE**—Do you think we would propose this legislation if we were in favour of council amalgamations?

**Senator FORSHAW**—Can I ask my question?

**Senator JOYCE**—You have been asking—

**CHAIR**—Senator Forshaw has the call. Senator Forshaw, do you have your question?

**Senator FORSHAW**—My comment and then question resulted from the questioning that you got earlier about how some members of this committee, and others, think that Mr Rudd should just tell Mr Beattie what should happen on the issue of amalgamations, as distinct from the issue of plebiscites.

**Mr Hayward**—Sorry, Senator Forshaw, but only if the survey comes back saying that the majority of Queenslanders do not want it. If it comes back saying that we do, we do not expect him to.

**Senator FORSHAW**—That position is consistent with the Prime Minister's.

**Mr Hayward**—And we appreciate that he cannot do that until—and similarly.

**Senator FORSHAW**—I have a final question. Whilst this legislation is clearly directed at ensuring that local plebiscites can be held on the amalgamation proposal and it is being enacted, as we know, to override any contrary state legislation—and we will see whether it still is there at the moment—that would prevent that, it does not actually mention local government or amalgamations in the text of the bill. It refers to 'any activity', which leaves the situation where this bill could then be relied upon to force plebiscites or to provide an opportunity for plebiscites on a whole range of issues. Do you believe that there are or are you aware of any issues, or can you conceive of any issues, where councils might want to use this process in the future—different to the process that you currently follow?

**Councillor Back**—I guess it is a first-up, and it is out of stock size. I understand that. From where I sit, I honestly do not think that councils are expecting this thing to set such a precedent that it is going to create a great problem down the track or be able to be used—

**Senator FORSHAW**—I am not suggesting that it is a problem. I am actually thinking that there might be decisions made by a state government or a federal government on a major issue—some have been mentioned: nuclear plants, desalination plants, waste dumps—where the council ends up having to cop the decision and provide the services and infrastructure that might be needed for some of that without the community getting a say. That is why I am asking you: would you see that there could be opportunities now for you to seek for the AEC to run plebiscites in the future on those sorts of things?

**Mr Hayward**—I guess that—in the examples you gave there of the nuclear power and that sort of stuff—providing that the process leading up to that decision being made is valid, we do not have the issue. The issue we have with this one is that we do not believe the process was valid, and that is why we want the say. But, for those other instances you gave and asked whether we would try and use that later on down there, providing that the processes were above board, it would not be a matter for it.

**Senator FORSHAW**—Providing that the processes involved some extensive consultation with the community themselves about their view on whether they agree or disagree.

**Senator IAN MACDONALD**—The point, of course, on that is that, if you want to have a plebiscite on Work Choices or a nuclear power plant, you can have it if you want to. I suspect you would not want to. But the Labor Party has stopped you having it in relation to your own futures. That is the point, I think, that Senator Forshaw was trying to get across, not very well. In view of the time, I have—

**Senator FORSHAW**—That is why you did it in the Northern Territory on the waste dump, is it?

**Senator IAN MACDONALD**—You see, Senator Forshaw, if you want a poll there, the councils can have it. If they want a poll in Queensland on nuclear waste dumps, they can have it. If they want a poll on local government boundaries, which vitally affect them, they will go to jail—under a Labor Party decision.

But in view of the time I will confine my questions to two very brief issues. The Labor Party has a very proud history particularly in this part of the world. It started a couple of miles further west. I cannot believe that in Australia the Labor Party would pass legislation that would have a public servant pay out of his own pocket money to get a community view on something that affects the community so very intimately. This may be an embarrassing question, Mr Hayward. Would you have the expectation or would your council have the expectation that if Mr Beattie were to withdraw his legislation, as he has talked about doing but apparently has not done so yet, someone would reimburse you for what you have very courageously paid out of your own pocket?

**Mr Hayward**—At the end of the day, regardless of what happens as to whether we get amalgamated or not, the people of Tambo wanted to have a say, moves were made to stop us from having that say and, as I said before, I did it and I would do it again just so that the people of Tambo could have their say. That is the end of it. I would not expect to be repaid. That was not why I did it. I did it so that people could have their say.

**Senator IAN MACDONALD**—I appreciate that. I have known you for some time and I can well understand your motives. Mr Chairman, I think it is appropriate that it should be a recommendation of this committee that someone have a close look at that. I think it is an appalling abuse of government action that has caused this. That was that one question.

The only other one I have is this. Very briefly, do any of you have, off the top of your heads, a rough estimate of how much of your finances come from federal government funded financial assistance grants? I know Mr Hayward would know that in his council. I am not sure about the councillors being so.

**Councillor Back**—Percentage wise, ours would be roughly 30 per cent or maybe a shade higher than that.

**Senator IAN MACDONALD**—So 30 per cent would be from FAGS?

**Councillor Back**—Around about that. Are you taking into account other grants and things as well?

**Senator IAN MACDONALD**—Adding in Roads to Recovery, financial assistance grants—

**Councillor Back**—So putting in Roads to Recovery and things like that as well, I would say 30 per cent.

**Senator IAN MACDONALD**—And the other 70 per cent would be rates?

**Councillor Back**—No.

**Mr Hayward**—Recoverable works.

**Councillor Back**—Yes, hire of plant and that sort of thing.

**Senator IAN MACDONALD**—What about the other councils? Robert, you would know.

**Mr Hayward**—Yes. Probably 22 per cent of our revenue comes from rates, then probably another 45 per cent comes from recoverable works, being Main Roads contracts and the like, and the balance of it—38 per cent—is from grants and subsidies. The majority of that would be federal, with only a small portion actually from the states.

**Senator IAN MACDONALD**—So without putting the other councils on the spot, unless any of their representatives can give that information off the top of their heads, that would be roughly so?

**Mr Glindemann**—It would be fairly similar, I would imagine.

**Senator IAN MACDONALD**—I just want to establish that obviously the federal government have a very great interest in what happens in local government and in what happens to local government because, give or take a little bit, we are substantial funders of what happens in local government. I think that over the years we have done that to make sure that local communities do continue to exist in rural and regional Australia. I guess my question is really this. Is it that FAGS money and federal government support that keeps a lot of these going?

**Mr Glindemann**—Ian, could we put that back to you? Does the federal government have any idea of the massive amount of funding that you guys give to us, what it starts out as and what it ends up as?

**Senator FORSHAW**—And where it comes from?

**Mr Glindemann**—We don't worry about where it comes from!

**Senator IAN MACDONALD**—I can absolutely convince you although I don't need to convince you so I will assure you that certainly with Roads to Recovery—which, as I must say, my friend's party called a 'boondoggle' and if you look that up in the dictionary you will see it says 'a fraud', so that is their view on that—we know this.

We know that absolutely every cent that is given is properly spent and not shoved aside or creamed off by the state government for dubious purposes. We are aware that the FAGS money that goes to you is well spent and keeps local communities going. I am aware of that but I wanted to put on record that the iconic nature of a lot of your communities is there because you are individual shires, and you are individual shires because the federal government has an interest in keeping you as individual shires. Would you agree with that?

**Mr Hayward**—Yes. Further to that, there is an interesting report, the Morton report, which was commissioned by the state government into amalgamations there. There is a section in it that states that, of all surveyed local governments in Queensland that have previously gone through amalgamation, their financial assistance grants have gone backwards in every circumstance.

**Senator IAN MACDONALD**—That is a different—

**Mr Hayward**—It is because of the way it is structured.

**Senator IAN MACDONALD**—Yes.



**Mr Hayward**—But that is our concern too, of course.

**Senator IAN MACDONALD**—And that is a concern for me. When this first happened I asked the federal minister to look if there was a way that we could stop funding local government and start funding local communities, but it was just too hard to do that. But that is another concern that your communities would have.

**CHAIR**—In relation to the request from Senator Murray to provide details on the surveys which a number of councils have conducted, the committee secretary has advised that information provided to the committee is protected by parliamentary privilege. However, the activities that that information relates to are not protected by parliamentary privilege, and it does not afford any protection for anything that took place outside of or before these proceedings. In light of that and the fact that there is genuine uncertainty as to the legal situation of some of the activities that you undertook by virtue of the Queensland government's attempt to make criminals of citizens seeking to go about their business, my view would be—and I am obviously interested in the views of my colleagues—that we leave that request with you. If you wish to seek your own advice and talk further with the committee secretariat about parliamentary privilege, please do so. Following that, if you feel you are able to provide that information to the committee, we would be most grateful, but I do not think it is the intention of the committee that we would insist upon that.

**Senator MURRAY**—I agree with the chair's ruling. I think that is accurate. Just remember that my question was in two parts. The part the chair refers to is past events. It is not a concern for future events—in other words, future plebiscites. So you can still provide that easily without needing to get legal advice on that.

**CHAIR**—However, as the Queensland law has yet to be repealed, I am not sure of the extent to which planning a plebiscite would be considered some sort of conspiracy to break the law, so you may want to—

**Senator MURRAY**—I think you would be pretty safe.

**CHAIR**—I appreciate your point, Senator Murray. We will leave it with you on the basis that you will take your own advice and provide what you feel comfortable with providing or able to provide to the committee. There being no further questions for the western councils group, I thank you very much for your time and effort in coming here today. Also, knowing that the Queensland local government conference was on and was a competing priority in the days before this one, I appreciate you making the time to come here and also your preparation. Thank you very much.

**Mr Hayward**—It is a good opportunity.

**Councillor Back**—Senators, thank you for the opportunity and your patience.

**Proceedings suspended from 12.54 pm to 2.00 pm**

[2.00 pm]

**BROWN, Councillor John Charles, Mayor, Peak Downs Shire Council**

**LINDEMAN, Mr Don, Chief Executive Officer, Peak Downs Shire Council**

**WALKER, Councillor Laurence Allen, Peak Downs Shire Council**

**CHAIR**—Welcome. Would you like to make an opening statement?

**Councillor Brown**—Thank you for the opportunity to participate in this inquiry. I believe that what I have to contribute is along the same lines as previous witnesses. Peak Downs shire is a rural local government covering an area of more than 8,000 square kilometres. There are two towns: Capella and Tieri. The shire has a total population of around 4,000. When the Queensland government announced their intention to undertake major reform of local government, public meetings were held in the two towns and some 450 residents attended out of a total elector population of 1,752. At that time, there was some confidence that none of the so-called reasons for change that centred on financial sustainability would result in change to Peak Downs Shire Council, as it was assessed by the Queensland Treasury Corporation as being in the top 10 per cent of councils in terms of financial position and management, and there were no compelling reasons for any change. I will repeat that: Peak Downs Shire Council was assessed by the Queensland Treasury Corporation as being in the top 10 per cent of councils in terms of financial position and management.

The sweeping changes that are to occur were never intended to be based upon any single or simple reasoning and instead were designed to move to regional rather than local government. Peak Downs Shire Council will become part of a 60,000 square kilometre council along with Bauhinia, Daringa and Emerald shires. Members of our community were so concerned with the likely impact over time that the removal of a council would have on the businesses, schools and community and sporting groups that they called for the council to arrange a referendum on the matter. This of course is not an option because under the legislation the minister has the option of fining and dismissing councils that proceed with any poll relating to the referendum process. Although residents have offered to pay fines imposed on councillors, the dismissal of the council would preclude its participation in the transition process to the new regional council, where it is absolutely essential that our community is represented. The council has since been officially petitioned by residents to proceed with the poll. The successful conclusion of this inquiry and the passage of the bill through parliament will allow this to occur. I table for your information a copy of the petition and also my council's submission to the Local Government Reform Commission.

Aside from the fact that the need for such drastic change was based on false and inaccurate reasoning and aside from the fact that councils such as Peak Downs Shire—that are already rated strong under what was a very tough assessment process—the real tragedy is that the principle of democracy has been eroded to a great extent under the legislation as it currently stands. Communities have a right to have a say in something so fundamental to their everyday lives. The laws introduced by the Queensland government preventing any challenge and providing the minister for local government with the power to do whatever he wishes in relation to local transition committees—their membership and the reform process—add

further insult in what surely must be amongst the most draconian laws ever introduced by any government in Australia's history. Certainly the Queensland government would not accept major changes to state boundaries or any proposal to merge states—it would require a community referendum. And so it should be with local government.

On behalf of my community, I thank the committee for the opportunity to record my support for the Commonwealth Electoral Amendment (Democratic Plebiscites) Bill 2007, which is the subject of this inquiry. I implore members to consider any other support they can provide for those communities that clearly demonstrate through the proper conduct of a poll that they do not support the proposed changes.

**CHAIR**—Thank you, Mayor Brown.

**Senator MURRAY**—In my view, the issue of whether there should or should not be amalgamations has not been contentious with witnesses. Witnesses are saying that, with respect to their particular shire, there is no evidence that there would be a benefit from the amalgamation and there are clear social and economic arguments against their particular amalgamation. Am I accurate in believing that you can see that, in certain circumstances, changing boundaries or amalgamations would be wise or appropriate in particular shires and councils?

**Councillor Brown**—Premier Beattie says he is going down this process to create stronger shires, in particular in Central Queensland where there are the mining communities. Peak Downs shire has been dealing with mining communities since 1980.

**Senator MURRAY**—Elsewhere in Queensland, if there is a good reason for amalgamation, you are not opposed in principle to that, are you?

**Councillor Brown**—I am not opposed to amalgamation in other shires where it is obviously necessary.

**Senator MURRAY**—Good. Therefore, with respect to your own shire, I have had the opportunity to see just one extract—but maybe there are others around—from the Local Government Reform Commission, which is the Southern Downs Regional Council recommendation from the commission. To my mind that was almost all generic—macro. It was not micro or local. There was no cost-benefit analysis and there was no evidence that I could see that would truly establish that the case had been made for that particular amalgamation. Based on the Local Government Reform Commission's decision on Emerald, is there any factual evidence on a cost-benefit basis, economic or social, that the amalgamation is desirable for your shire?

**Councillor Brown**—Firstly, I would like to dispute information in that document. On that very front page it states that Peak Down shire has a debt of \$1 million. That is totally incorrect. We have absolutely no debt and we have in the order of \$16 million in the bank.

**Senator MURRAY**—If there are basic factual errors on which a recommendation has been made to the state government, let us assume they accepted the recommendation in good faith. If the state government's decision is based on errors of assessment, surely there should be an appeal process.

**Councillor Brown**—There should be an appeal process. We have no right of appeal under the legislation as it stands, I believe.

**Senator MURRAY**—If there were to be an appeal process instituted, would your council be willing to fund and process an appeal based on the fact that the evidence within this does not justify the decision they have come to?

**Councillor Brown**—Yes.

**Senator MURRAY**—I have not read this; I have read the one I referred to earlier. Is this of the same kind as the other recommendation? In other words, they are generalisations. They are what I would describe as macro concepts—concepts which are theoretical, such as structural efficiencies, skills knowledge bases and all that. It does not have specifics that relate to a reason why your particular shire should be changed in the way they propose.

**Councillor Brown**—I do not believe that our submission to the commission was taken into consideration as well as it should have been.

**Mr Lindeman**—The one specific reason they did give for the Central Highlands councils is that we are dealing with big business in terms of mining companies and, therefore, we needed to be a big council with clout. The reality is, of course, it will be the same sort of people around the table dealing with those same mining companies irrespective of the size of the councils. But that was the one distinction they drew to the Central Highlands councils as opposed to the other generic, similar type of recommendations.

**Senator MURRAY**—They should come and have a look at one of our shires over in Western Australia—the Shire of Roebourne, which takes in Karratha—which produces 16 per cent, I think it is, of Australia's export output. It does not make any difference whether you are dealing with the big boys; they go over your head. That is just an aside. My point to all of you is that, as a person, I would accept that there is a case for amalgamations in certain circumstances, and it is not for me to judge. My point is that, if the decision is made on evidence which does not stack up and is in error or is inadequate, a council or a person should be entitled to appeal that decision. I just want to confirm that, if there were an appeal process, you would appeal.

**Councillor Brown**—We would appeal. We do not believe that the evidence stacks up in any way, shape or form.

**Senator MURRAY**—Thank you.

**Senator MOORE**—Gentlemen, were you here before lunch?

**Councillor Brown**—Yes.

**Mr Lindeman**—Yes.

**Senator MOORE**—So you know what I am going to ask.

**Councillor Brown**—Yes.

**Senator MOORE**—The role of this committee is to look at the 3½ pages of legislation in front of us. Our role is not to look at the rights and wrongs of council amalgamations, but we are really interested—I hope, as a whole committee—in the plebiscite aspect of the process.

In terms of the legislation that is in front of us, has your council, Peak Downs, given consideration to how you may use that locally?

**Councillor Brown**—The plebiscite?

**Senator MOORE**—The plebiscite, yes.

**Councillor Brown**—We would love to run a plebiscite. I would like to think that whatever comes back is taken on what comes back, and those that do not come back, to my way of thinking, those people are not interested at all but should not be seen as not caring. They might not care but if it were an election for council they would not be counted. So I think those that come back are the ones that should be counted.

**Senator MOORE**—That is in terms of the process. Mayor, have you been at the Local Government Association conference?

**Councillor Brown**—Yes.

**Senator MOORE**—My understanding is that there has been some discussion at the group about how any plebiscite would operate.

**Councillor Brown**—I am sorry but we had to leave before that.

**Senator MOORE**—We will be talking with Local Government Association people on Monday but, in terms of your understanding, how do you think it will operate? How would you like it to operate?

**Councillor Brown**—We would like it to operate along the lines we heard earlier this morning, where it is done by the Australian Electoral Commission in consultation with the Local Government Association, and as a poll.

**Senator MOORE**—In terms of the process, it seems to me we have seen no guidelines. All we have as a committee is the legislation and the explanatory memorandum that goes with it. The proposal that you are facing as a shire is amalgamation with three other councils. Is that right?

**Councillor Brown**—That is right.

**Senator MOORE**—I am not quite sure how it is going to operate—whether the question will go to all four councils that are part of it. That degree of detail I do not know. For the record, how do you think it should operate? There are four key neighbouring councils that have been recommended in this proposal to go together. If there is a plebiscite—which I understand will have to be stimulated council by council; it would be each council's decision as to whether they want to take part in it or not—how do you think it would work across the four that would be involved?

**Councillor Brown**—With the submissions to the reform commission, the four councils concerned work very well together. We are in what we call the Central Highlands Development Corporation. We have a long history of being very good friends and working very well together. All four submissions said that we wish to stay as we are. So it is of no concern to me that this will go to the other councils. I would gladly like to think that the other three councils will get it.

**Senator MOORE**—To reinforce it for the record, you know that this piece of legislation has got full cross-party support?

**Councillor Brown**—That is right.

**Senator MOORE**—We expect that after the report goes back next week it will be passed at the Commonwealth level—just to ensure that people know that. I have one other question on constitutional recognition of local government. Do any of you think that would work and do you support it?

**Councillor Brown**—It is a principle that we believe in, but we are very aware that there are many pitfalls and there is a lot to be sorted out before it can happen.

**Senator MOORE**—So it is not an immediate kind of thing; it is something for the future.

**Councillor Brown**—It would have been great if we had it.

**Senator MOORE**—I think a few people are saying that now, Mayor—that where the responsibilities are clearly defined, it would be useful to have it there. But it is something for the future. Councillor Walker or Mr Lindeman, do you have any comments on anything?

**Mr Lindeman**—We are pleased to see that there is major party support for local government recognition in the constitution, but we really need to see what the meat is behind that. It is all right to say, ‘Yes, be recognised,’ but what does that essentially mean? I think it should be on the table now and we should be working towards putting it in front of the Australian people again. I am sure, with the support of all the major parties, it will be a little more successful than the previous couple of times.

**Senator MOORE**—We can but hope, Mr Lindeman.

**Mr Lindeman**—Yes.

**Senator MOORE**—Councillor Walker?

**Councillor Walker**—I just agree with what Don and John have said—that it should go ahead.

**Senator MOORE**—Councillor Walker, how long have you been a councillor?

**Councillor Walker**—Over 10 years.

**Senator MOORE**—And Mayor Brown?

**Councillor Brown**—On 15 March it will be 23 years; 16 years as mayor.

**Senator MOORE**—You have a few of those certificates from the LGA about your service.

**Councillor Brown**—I have some of those.

**Senator MOORE**—So it is extended community service that you have provided.

**Councillor Brown**—Yes.

**Senator IAN MACDONALD**—How do you describe Peak Downs shire? Is it a mining or pastoral shire, or what?

**Councillor Brown**—Initially it was very much a rural shire. The mining came in around about 1980 with some disruption, I might say. In 1993 we had a new Local Government Act

in Queensland that allowed councils to become contractors. That has been a very big benefit to our shire. The days of the mining company bringing a free breakfast ticket with them are gone. We have been able to work in with the mining companies. We have a very good working relationship with mining companies and we do a lot of contract work at the mines. We have established a quarry that brings in a lot of money each year, in the order of \$1 million. We do water for the mine sites. We have builders that do building work. It has been a big benefit to the Peak Downs shire having the ability to be contractors and to have that mining industry within our shire. It is probably the biggest reason why we are so fluid.

**Senator IAN MACDONALD**—So you get a wealth from the mines beyond rates.

**Councillor Brown**—Simply because we get off our butts and go out there and work for it. I think that is something that is not done by a lot of shires, but we have taken a business focus and it has been very beneficial to our shire.

**Senator IAN MACDONALD**—In Peak Downs, do you run a lot of the community facilities, or even the business facilities, where there is a dearth of market forces with businesses?

**Councillor Brown**—We do not do a lot of town businesses. That is all run by private enterprise. We do a lot of the community facilities. We have a 500-seat cultural centre. We have an aquatic centre where, if you wish, you can come up and set a world record; it is measured and has electronic timing.

**Senator IAN MACDONALD**—I could not do that these days.

**Councillor Brown**—Nor me either. We have a covered arena that is one of the best in Australia, I would say, and we do a lot of community work. We believe that, should be amalgamated, a lot of that might go by the way.

**Senator IAN MACDONALD**—Do you see any benefit at all from joining with Emerald and Bauhinia?

**Councillor Brown**—We do not see any benefit and, as I said earlier, we work very well with these people for resource sharing and all of those sorts of things. We do that and have been doing it for a number of years. The benefits that may be gained by amalgamation we are already enjoying through the Central Highlands Development Corporation.

**Senator IAN MACDONALD**—I asked some of the councillors who appeared before lunch this question: in very rough terms, do you or your CEO know what is the contribution of federal government funding through FAGS and Roads to Recovery and those sorts of things?

**Mr Lindeman**—It is in the order of 20 per cent.

**Senator IAN MACDONALD**—I take it that the rest of it is revenue from your activities, plus rates.

**Mr Lindeman**—Yes.

**Senator IAN MACDONALD**—Do you get much from the state government?

**Mr Lindeman**—It depends. There are grants such as the Capital Works Subsidy Scheme, which is based on a percentage of projects undertaken, and that varies from year to year, accordingly.

**Senator IAN MACDONALD**—I do not know Peak Downs as well as I know some of the more western shires. Do you deliver many federal government services? For instance, are you involved in Home and Community Care the program?

**Mr Lindeman**—No, we are not.

**Senator IAN MACDONALD**—Apart from Roads to Recovery, are there any other federal government activities that you are involved in? Are you involved with Centrelink?

**Mr Lindeman**—No. We do not have any of those services.

**Senator IAN MACDONALD**—What about rural transaction centres and those sorts of things?

**Mr Lindeman**—No.

**Senator IAN MACDONALD**—Your reading of your community is that they desperately want to have an ability to have a say in their future; is that correct?

**Mr Lindeman**—I think it is fair to say that our community was very disappointed in council that we did not progress a poll because of the threat of dismissal or fines. They thought, 'Well, you're going to be sacked anyway so you might as well go out fighting and we'll pay your fines.' It was as simple as that.

**Councillor Brown**—Senator, I would like you to have taken some of the pain that I have had, being called 'spineless' and those sorts of things. As I said earlier, it is imperative that we be on this transition committee.

**Senator IAN MACDONALD**—I appreciate that. I think you have taken a courageous and sensible decision, and it was a difficult decision for you. The whole purpose of this federal legislation is so that you can do it without being criminals, effectively.

**Senator FORSHAW**—Mayor Brown, in your submission you have included this comment:

... it is very clear that this community is so concerned with the likely impact of amalgamation that it would implore the Commonwealth to further intervene so that a proper and complete process could be undertaken to ensure reform will genuinely benefit residents.

Would you expand on what you have in mind as to what that further intervention and reform would be based upon.

**Councillor Brown**—I dare say that the ball is in your court, but we want you to understand that we fully support the federal government if there are any other initiatives that it can think of that would further support us.

**Senator FORSHAW**—But do you have anything in mind?

**Councillor Brown**—Not at the present stage.

**Senator FORSHAW**—It has been pointed out that the current view is that the federal government—it does not matter which political persuasion—has constitutional limitations in



making the decisions binding, and that just relates to the separation of power between state and federal governments. You have said, '... so that a proper and complete process could be undertaken to ensure reform will genuinely benefit residents.' I wondered whether you may have had in mind some form of initiative by the federal government that might mirror or be along the lines that the state government was originally doing. I think it is the triple S process. Some others have said to us, 'We want you to go further and make it binding.' We cannot actually do that, but you are actually talking about a process that might be possible.

**Councillor Brown**—We firmly believe that the triple S process is the right process. We are not against amalgamations where they are deserved, but in our area we believe that that is simply not on.

**Senator FORSHAW**—I am just thinking off the top of my head and I need to give this some more thought, but we know that there have been Productivity Commission inquiries into aspects of local government. Whether or not you could have a complete inquiry into the issue of amalgamation, boundary changes and structure I am not sure, but under the federal constitutional power there may be some processes that could be initiated that do not go to determining the question of amalgamation but may assist.

**Councillor Brown**—I dare say that you people would know more about that than I do. I could not really answer that one, but we would dearly love to abandon the process as we see it and return to the SSS that we see as the right and just process.

**Senator FORSHAW**—The Local Government Association might be able to answer that.

**Senator JOYCE**—We heard from Senator Moore that this legislation, the Commonwealth Electoral Amendment (Democratic Plebiscites) Bill, has cross party support. What is your understanding of the words 'cross party support'?

**Councillor Brown**—My understanding is that both parties in the federal sphere will support it and it will pass through.

**Senator JOYCE**—Those parties being?

**Councillor Brown**—The coalition and the Labor Party.

**Senator JOYCE**—The Labor Party. What party actually brought about the legislation that caused us to bring this bill in?

**Councillor Brown**—In Queensland?

**Senator JOYCE**—Yes.

**Councillor Brown**—It was the Labor Party.

**Senator JOYCE**—Do you find it rather perplexing that you have apparently two different forms of the same party in the same state?

**Councillor Brown**—That is a rough one.

**Senator JOYCE**—It is the obvious question that we have to ask all day, isn't it? We have this ridiculous position where Mr Swan, Mr Rudd, Ms Livermore, Mr Bevis, Dr Emerson and Mr Ripoll—all from Queensland—have an entirely different position, yet they are all people

from the same party, from the same state, as all the people who instigated the problem in the first place.

**Councillor Brown**—Obviously, they must have a reason for doing it.

**Senator FORSHAW**—Like Mr Scott and Senator Joyce on Telstra.

**Senator JOYCE**—How do you solve a political problem? What sort of solutions do you have to look for when you have a political problem on your hands? This has been brought about by a basically arbitrary, unnecessary, nasty decision. How do you solve a political problem?

**Councillor Brown**—If you take local government as being political, my understanding is that if I did something that did not suit the electors of my shire they would remove me at the next election.

**Senator JOYCE**—A political problem solved with a political solution. Can you see any pressure points coming up on the horizon that may be exerted that may encourage people to be a bit more active in trying to support your cause, and where might those political pressure points be?

**Councillor Brown**—I dare say that there probably would be. What you want me to say is that it is probably the federal election.

**Senator MOORE**—That is what he wants you to say.

**Senator JOYCE**—I have never suggested anything. Obviously it gets a rise. It is the issue that we are all dancing around.

**Senator FORSHAW**—Obviously you are very worried about the federal election.

**Senator JOYCE**—Thank you for those comments, Senator Forshaw from the Labor Party, which instigated this problem.

**Senator FORSHAW**—Very appreciative. You are welcome.

**Senator JOYCE**—Who are the members of the local transition committee and where do they come from?

**Councillor Brown**—There are two from each of the four shires involved—that is, two councillors—and we have three union people.

**Senator JOYCE**—Three union members? Where do they come from and who elected them?

**Councillor Brown**—It is in the terms that we got from the state government for the selection of the transition committee.

**Senator JOYCE**—How many people voted? Did you get to vote for these three union members?

**Councillor Brown**—I did not.

**Senator JOYCE**—So who did vote for them?

**Councillor Brown**—Well, it was not anybody in my shire.

**Senator JOYCE**—It seems a bit peculiar that they would have a big say in what happens to your shire and technically, I suppose, they do not even need to be from your shire.

**Councillor Brown**—No, they do not. But by the same token I would have thought that, on this issue, my council and the people that are representing our workforce would be working together to retain our workforce.

**Senator JOYCE**—It would be a consideration that 11,000 workers lost their jobs during the amalgamations in Victoria. You would suspect that their fervour to try and stop amalgamations would be paramount. Have you seen that?

**Councillor Brown**—Not in our local scene. We do not have that in our local area.

**Senator IAN MACDONALD**—Just to interpose, do you know who the three union reps are going to be for your amalgamated shire?

**Councillor Brown**—We do. I will have to call on Don to give them names.

**Mr Lindeman**—Do you mean in terms of who they are representing?

**Senator IAN MACDONALD**—What they are rather than who they are. Are they from this area? Are they from your area? Are they from Emerald, Brisbane or wherever?

**Mr Lindeman**—There is a bit of a combination. There are representatives—as in the union organisers—of one of the unions. There are employees of Bauhinia shire and employees of Emerald shire that have been appointed by the other two unions.

**Senator JOYCE**—So they were appointed by unions?

**Mr Lindeman**—Yes.

**Senator JOYCE**—They just rang them up and said, ‘You’re on it.’

**Mr Lindeman**—They appointed their representatives across the state and advised the councils who they would be.

**Senator IAN MACDONALD**—So there is one mining union guy and two—

**Mr Lindeman**—There are the Australian Workers Union, the Australian Services Union and the Queensland Council of Unions.

**Senator JOYCE**—How many people in your shire voted for you, Mayor Brown?

**Councillor Brown**—I was appointed by my councillors.

**Senator JOYCE**—How many people voted in the council election?

**Councillor Brown**—There are 1,752 on the roll.

**Senator JOYCE**—1,752 people from the district appointed you and, to the best of your knowledge, no-one voted for any of the union representatives on the transitional committee?

**Councillor Brown**—To the best of my knowledge.

**Senator JOYCE**—It is an interesting form of democracy, that one. Give me your view of post amalgamation—if it goes through—and where the most likely detrimental effects will be.

**Councillor Brown**—We have some very serious concerns about our principal town, being Capella. The council has its funds in that bank. Obviously those funds and all assets become

the property of the new council. We have the highest respect for the councils as they stand now, but there will be another election in March. There are always further elections. We have some concerns as to what they might do. Once the bank closes and people start banking somewhere else, the bank at Tieri will automatically close because it is a sub-branch of the Capella branch. We have fears about schools and businesses. If the shire is amalgamated and run from a principal point, will the trucks that are operated by our shire now buy their tyres in Capella? They are the things that really concern us. I can see that will be the demise of our town.

**Senator JOYCE**—So that would basically be the case really across the state where these amalgamations were going forward, wouldn't it?

**Councillor Brown**—I would say so. There will be some winners and a lot of losers.

**Senator JOYCE**—What is the price of a house now in Capella?

**Mr Lindeman**—It is in the order of \$280,000.

**Senator JOYCE**—But it would be propped up somewhat by the mining industry in that area, wouldn't it?

**Mr Lindeman**—We have not experienced the same situation yet that Bauhinia shire, one of our fellow CH councils, has where they are not borrowing to the same extent because of this process. We have had issues in the past where matters such as this have made them reluctant to want to continue to provide loans.

**Senator JOYCE**—So people have been quite willing to buy a house in Capella and they have done it on the premise that there has been a warrant that there was a shire council there and it was a pretty safe investment.

**Mr Lindeman**—You have had a shire council which has facilitated development to a large extent by developing industrial and residential land, not as a commercial type venture but to facilitate that economic development. That has been successful. Some years ago you could have bought a house in Capella for \$70,000, and I am only talking five or six years ago. So that, in combination with the resource boom, has seen those prices elevate.

**Senator JOYCE**—If it can go up from \$70,000 to \$80,000 it can certainly head back in the other direction if the fundamental economics of the town change.

**Mr Lindeman**—Absolutely. There are a lot of concerned people in the town who have bought on that \$280,000 end of the market.

**Senator JOYCE**—So there is inherently quite a financial imperative. In fact, if someone were to make an unnecessary decision—one that was not warranted; there was no real driving or underlying reason why it came about—that brought about a loss to some families of what could be hundreds of thousands of dollars, you would say that that was an immoral decision, wouldn't you?

**Mr Lindeman**—It certainly is very harsh, isn't it?

**Senator JOYCE**—Thank you very much for that.

**Senator FORSHAW**—You obviously would be aware of the members of the Local Government Reform Commission. Do you know if there are any National Party members or any former National Party members of parliament on that commission?

**Councillor Brown**—One that I know of anyway.

**Senator FORSHAW**—Thank you.

**CHAIR**—I thank the Peak Downs Shire Council. We appreciate your opinions today.

[2.38 pm]

**BECKER, Councillor Owen, Deputy Mayor, Taroom Shire Council**

**HANSEN, Councillor Selwyn, Taroom Shire Council**

**STILLER, Councillor Donald, Mayor, Taroom Shire Council**

**CHAIR**—I welcome representatives from the Taroom Shire Council. I invite you to make a brief opening statement.

**Councillor Stiller**—Many of the things I choose to talk about have been covered, but I will reiterate many of them. In putting our case I have to first say that we are unique as the only shire in Queensland that has been dealt the double whammy of not only being amalgamated but being split in two. This is probably the greatest concern we have got. We have a shire with a unique boundary situation. We have the escarpment of the ranges to the west, which isolates us from the west. We are surrounded by the ranges and the state forest. It is our natural catchment area for the Dawson. The only place the Dawson River breaks through the range is at Isla Gorge. Other than that it is a natural inland basin which has our community virtually separated from surrounding shires and communities. This having been said, it is always very obvious that we have a very close social and fundamental alignment in our community which covers things like sport, culture and all the things that go with a very tight-knit community. That I guess is our No. 1 concern, and I will enlarge on that.

The next big concern is the right of a community to exercise its right to democracy. My community were horrified when they found we were split. They were probably nearly equally as horrified when they found out who we could be amalgamated with. But it was when the Premier announced that he would fine or suspend mayors and councillors that my community rose up and said, 'Enough is enough.' Taking away our democratic right was completely unacceptable for all the people in our shire. We had two meetings in our shire, with more than 100 people in our civic centres. Every hand went up when they said: 'Mr Mayor, you have to fight this because this is an essential part of democracy that our Australian community stands very strongly behind.' I would like to commend the senators on both sides of the table for supporting the legislation which we hope will allow us to speak freely and our constituents to speak freely.

Being a split shire, we have enormous problems trying to get our community back together. We can probably live with amalgamation, but to have a tight-knit community like ours split is a very devastating blow. If we go back into the annals of history, I guess we have to say that when 'one vote one value' became the norm—and I am not arguing that—we had a shire that was roughly a round basin. I was a councillor 17 years ago when we drew a boundary through the middle and said that we had 50 per cent of our people on that side and 50 per cent of people on that side and we had the town of Taroom and the town of Wandoan with very nearly equal population. It amounted to a very equitable split. That split never took into consideration any significant boundaries. It did not take anything else into consideration than that we had 50 per cent of our population on either side of a common boundary. The commission, in their wisdom, have used that 'rule a line on a piece of paper' to split our shire. I believe if they had read any of the information we sent to them they would have realised

how non-practical that was. When I look at the very limited time the commission had, from the day that they were told to go to work to the day they brought down that finding, I find it very difficult to believe that they actually looked at the submissions we gave them. That is one of the big concerns we have.

Being a natural basin, there are some unique factors that we have that no other shire would have. One is that we are the natural boundary to the cattle tick, which you would all be aware of. Our shire has been very, very strong in holding that line. Probably more importantly, our shire has held the parthenium line. For senators who do not know what parthenium is, it is a very nasty weed that grows in Central Queensland, imported from our very good cousins in America. It causes enormous health problems, mainly lung infections. The medical advice to us about people who work in areas that are very heavily infested with parthenium is that it is not whether their lungs break down but when, because it is a residual type of toxin. Our council has been putting in an enormous amount of work to hold that line. We are actually bridging the line that would open it up to all the southern states as well. We feel that if our shire is split the machinery will have to go over the top of this parthenium line and the parthenium will break free and keep going. It is a very major area of health concern.

I have another concern. I have been fortunate enough to be on a negotiating panel with my Aboriginal friends regarding native title. The Iman people are the Aboriginal grouping that had the basin—it is their homeland. They are very proud of it. I get on extremely well with the negotiators from the Iman people. I clearly understand from them that they have never been consulted as to whether this is a good idea or a bad idea, but it breaks up their homeland. We have some of the greatest artefacts that are still out there of the Aboriginal people. I think they will be horrified to see their homeland broken up. Senators, there are many more things I could say on a lot of things that have been said today, but I will rest my case with that. I do not know whether my councillors would like to add to it.

**CHAIR**—Thank you, Mayor.

**Senator FORSHAW**—Could you clarify for the record? You talked about the council being split and that it is in your submission—how was it going to be split?

**Councillor Stiller**—Senator, I apologise for that. The southern half of the shire, population-wise anyway, is going to join with five other shires to make it the greater shire of Dalby region and the northern half is going to go in with the Banana Shire.

**Senator FORSHAW**—Do you know what the attitude is of those other shire councils to absorbing parts of it? Before you answer that, that means that at the moment in the—

**Councillor Stiller**—Banana Shire.

**Senator FORSHAW**—No, your shire council.

**Councillor Stiller**—Taroom is our shire.

**Senator FORSHAW**—Taroom—that is how you pronounce it—would cease to exist.

**Councillor Stiller**—It would cease to exist.

**Senator FORSHAW**—What is the attitude of the surrounding councils to the proposal?

**Councillor Stiller**—I would say we have complete support from surrounding councils that we should have been left in one piece.

**Senator FORSHAW**—Okay.

**Councillor Stiller**—I would say we would have support from either or either to join with us to come up with the best possible result we could. I would go as far to say that we have enormous sympathy and support from both south and north.

**Senator FORSHAW**—Do you know whether those other five councils that you referred to want to retain their individual status?

**Councillor Stiller**—They would sooner that we retained our individuality.

**Senator FORSHAW**—Not Taroom, but themselves. Do any of those five want to join together—three, or four or two of them?

**Councillor Stiller**—Yes, Senator.

**Senator FORSHAW**—I appreciate that you may not be directly able to speak for them.

**Councillor Stiller**—Originally we did put propositions in where our shire went in its entirety to join with Murilla and Bendemere shires to make a supercouncil. And this is the unfortunate part about it, Senator, we were all working very strongly on this SSS process which is the size, shape and sustainability. We were way down the track of this when the rug got pulled out from underneath our feet. The day that the rug was pulled out from under our feet on the size, shape and sustainability negotiations, at that particular stage, we were working in cooperation with the Murilla and Bendemere shires on roadworks. We were working as a team then. That, to my mind, was the golden opportunity that was missed in Queensland—to let size, shape and sustainability run its full course. What this government has achieved by the heavy boot mentality would have been achieved in a much more respectable manner and would have taken the people with it, but this has no hope.

**Senator FORSHAW**—The final question I need to ask you. You have been here to listen to some of the other evidence, have you?

**Councillor Stiller**—Yes.

**Senator FORSHAW**—You state in a paragraph of your submission:

... while we accept this amendment will enable a local governing body to conduct a plebiscite without fear of incurring penalties or dismissal, we consider the amendment should extend to make any such plebiscite binding on the State Government.

You appreciate, do you, that this legislation does not do that. There is serious doubt, I would suggest, that it cannot be done. But, I put it at best, there is serious doubt that it could be done. I would like you to comment because I understand that that might be what people like to see.

**Councillor Stiller**—My answer to that is, Senator—particularly, a couple of my councillors are very strong on if we could develop a principle, in other words maybe a royal commission, to look at how this has happened and why it has happened and why our democracy was nearly stamped upon. Maybe a royal commission could set out guidelines which would stop this ever happening again and give us more security in the future, and that step has to be taken before we look at consolidating local government.



**Senator FORSHAW**—Thank you.

**Senator IAN MACDONALD**—How big is your community of interest with Dalby? Is it currently important?

**Mr Stiller**—Our community of interest is basically south when it comes to education, health and sporting events. As the road network is improved, it is undoubtedly also going to move towards the north, but traditionally our government services, health and sporting events have basically been to the south. As a council, we have had a foot in both camps. We have been part of the South West Local Government Association. We have also been part of Central Queensland Local Government Association. In both, we have been one on either side of the range. That is not the main concern. The big concern is we want to get ourselves in one part, so that we can still be a family in that basin.

**Senator IAN MACDONALD**—Do you see any benefits at all from amalgamation, however small? Is there one box out of 10 you could give a tick to?

**Mr Stiller**—Inevitably, every democracy has to be sometimes modernised and there may be cases where it is suitable. I think that was being recognised very strongly in the size, shape and sustainability process, when you had shires all but ready, and there were shires in Queensland which were within a couple of weeks of holding their first referendum to see whether they could become a shire. It seems very odd—or perhaps not so odd—that the rug was pulled out from under us just in front of that first plebiscite. It appeared to me that the government felt we were probably coming up with a solution that did not fit comfortably in their camp.

**Senator IAN MACDONALD**—Would you hazard a guess on where you might have gone with the SSS process, or is that too hypothetical?

**Mr Stiller**—That is rather hypothetical. Our council has a unique position. We are nearly in the middle of nowhere, if you can understand what I mean, because we are surrounded by natural boundaries. If it had to happen, we could have lived with north or south in a more limited form. To have six councils joining up south of us is a major task. I will have ratepayers in my shire who will be over three hours away from the capital of their shire, yet they would probably be only three quarters of an hour from another major town. Not a lot of thought has gone into it, I believe. I do not want to criticise the commission. They had a job to do, but I do not think they had the time to research it in the patch of time they were given—it was very short.

**Senator IAN MACDONALD**—It was suggested to us this morning, and I accept this, that the terms of reference for the commission almost drew the boundaries. Perhaps that is another matter. You could have gone with Banana or who?

**Mr Stiller**—Possibly the Murilla or Bendemere shires, or we thought as a worst possibly scenario we might be in Chinchilla or Tara, but never in our wildest dreams did we think we would go right down to Dalby, which puts some of my residents further out from their capital than Dalby is from the coast. It is a pretty frightening thought.

**Senator IAN MACDONALD**—How many people are there on your workforce, approximately?

**Mr Stiller**—We have about 80.

**Senator IAN MACDONALD**—If the administrative centre is shifted to Dalby, what will remain of your workforce?

**Mr Stiller**—That is a very difficult question. We would like to think—and I guess this is one of the very strong arguments for keeping our shire together, because it is a natural basin—that our people could be employed under a different management. That is quite feasible, but once you break the shire into two halves, about 80 per cent of our equipment and staff is in Taroom, the other 20 per cent is in Wandoan.

My biggest concern—and I want to say this quite openly—is for my staff. As far as councillors go, we come and go like you politicians, but our staff have put deposits on homes. Just before the announcement I had one girl break down in tears when she was talking to me. She said, ‘How am I going to pay for this house if I lose my job?’ The union has said, ‘Yes, we guarantee you three years employment,’ but there is no guarantee it will be at home where her husband is working or, alternatively, where the wife is working. Once you lose the council funds from the banking system—we only have one bank—the bank will probably close and then you get a domino effect. From figures I have been given over the years, every 2.2 jobs create a job and I guess it works in reverse.

**Senator IAN MACDONALD**—Did you say the unions guaranteed your staff a job?

**Mr Stiller**—I understand under the arrangement of amalgamation that there is a guarantee to staff to be kept employed for at least three years, but not the CEOs and mayors.

**Senator IAN MACDONALD**—That is to be kept employed in the town they were in prior to the amalgamation.

**Mr Stiller**—No. I understand they are guaranteed employment.

**Senator IAN MACDONALD**—So they might have to move to Dalby.

**Mr Stiller**—They might have to move anywhere. I do not know; I am at a bit of a loss on that one.

**Senator IAN MACDONALD**—In this same undertaking, is there any undertaking for relocation expenses for staff that might have to move town or might lose the mortgage payments on their house if they cannot sell it because nobody wants to buy it? Were there any other compensatory statements made at the same time as they were guaranteed a job?

**Mr Stiller**—Not to the best of my knowledge.

**Senator IAN MACDONALD**—Where did this come from? Was it just an announcement by Mr Beattie or was it—

**Mr Stiller**—I understand Mr Fraser announced in his spiel that that was going to be the case.

**Senator IAN MACDONALD**—But you have received nothing in writing.

**Mr Stiller**—I do not think we have; no, I cannot recall it coming in writing.

**Senator IAN MACDONALD**—But you imagine that that will be—

**Mr Stiller**—We would like to think that what he has told us we could rely on.

**Senator IAN MACDONALD**—Mr Beattie has had so many positions on this you would not want to be relying on any one of them. Is this something you are hoping will become clearer in the amalgamation discussions that are supposed to happen between now and March?

**Mr Stiller**—We would like to think so, Senator. Whether this is an issue that is going to be dealt with by the transitional committee—we are privy to very little information at this point, and that is one of the concerns that we have.

**Senator IAN MACDONALD**—Do you know what the transitional committee will consist of?

**Mr Stiller**—Yes, I do.

**Senator IAN MACDONALD**—How many from your shire?

**Mr Stiller**—We have got two on each leg of our old shire. We have got two councillors going to the Dalby transitional committee and two to the Banana City transitional committee. I understand there are three union reps. There could be a community rep and, of course, the CEOs of the existing shires are on that transitional committee.

**Senator IAN MACDONALD**—This legislation was passed three or four weeks ago now.

**Mr Stiller**—About that.

**Senator IAN MACDONALD**—Has the CEO had a letter saying, ‘This is how the transitional committee will work and this is what you will have to decide?’

**Mr Stiller**—In the last week, there has been some correspondence about how the committee is going to be set up. It is fairly vague too because nobody was really appointed to stir the committee up and get it going. But in our case the CEO at Banana and one of the other CEOs from Dalby has called a meeting for next week, so the process will start.

**Senator MOORE**—I am going to ask the same question that I have been asking throughout this process. The legislation that is before us is looking at the plebiscite. In terms of the particular way that your shire operates—and you are the first council that we have heard from that has been quite so affected, which makes it particularly difficult—when this legislation is passed, and it will be passed because as you know it has cross-party support, and you are given the option of having a plebiscite, how do you intend to operate that?

**Mr Stiller**—It is our hope that, when my people get the right to have a say in their future, somewhere down the track the next steps will start to happen. The thing that binds all of our societies together is the knowledge that our democratic system gives every one of us the right of a say. That is the democratic right that was nearly taken away from us for the first time in my living memory. If we can have a plebiscite, maybe the message will get home that this is no way to run a country.

**Senator MOORE**—And you would be doing that on the current boundaries?

**Mr Stiller**—Yes.

**Senator MOORE**—Even though the proposal involves three different areas, you would be looking at setting up the message—whatever it is and in whatever way it is phrased—so that it deals with your current boundary. Is that the understanding?

**Mr Stiller**—We are still a shire up until 15 March.

**Senator MOORE**—At least.

**Mr Stiller**—At least. We have not given up the fight. We have one of the most unique cases, and it is pretty disappointing at this point in time that I have spent the last two weeks trying to get a meeting with the Premier and as yet I still have not got that meeting. That, to my mind, is one of the saddest things about this whole thing. If our democratic system was working properly, surely in three weeks, after probably 20 phone calls and many promises, I would be allowed through the door once.

**Senator MOORE**—And you have heard nothing? You have had no feedback about the proposal?

**Mr Stiller**—We were transferred to the Minister for Local Government and we were promised a 15-minute meeting with him, which lasted around 5½ meetings. He excused himself and said that he was too busy.

**Senator IAN MACDONALD**—You are kidding.

**Mr Stiller**—No, I am not kidding.

**Senator MOORE**—That was in the last week or so?

**Mr Stiller**—That was on Wednesday at the conference.

**Senator MOORE**—I know that the process was discussed at the local government association meeting. I will be speaking with them on Monday about whatever the process will be at a state level. My understanding is that the local government association will be the mechanism used to progress what will happen. Has the issue of the acknowledgment of local government in the Constitution been something that you have had a chance to consider? I take the point that you are trying to work through a lot of other things at the moment. But in terms of the future, have you had a chance to think about that?

**Mr Stiller**—If we had constitutional recognition, this may not have happened. Having said that, we would have to straighten out a lot of local government boundaries in Queensland before recognition would be acceptable. Some of this has to be unknotted, such as whether we all want to live in the south-east corner. My heart goes out to the people further west than us. We have enough problems of our own. For the life of me, I cannot see how these conclusions have been come to. The state government in Queensland announced that the next powerhouse of Queensland will be the big coal project at Surat Basin, which is Wandoan. We have the biggest gas fields in Queensland; we have the biggest coal fields in Queensland. I am starting to sound like a Yank now, but it is a fact of life. We have got all these things. The government has said that it is project of state significance. Yet now we have a line being put through the middle of it.

**Senator MOORE**—And you have been negotiating that process effectively over the last several years?

**Mr Stiller**—Yes. So in every shape and form in our ability to deal with the big mining companies we are now hamstrung.

**Senator MOORE**—And you have proven results on the record?

**Mr Stiller**—We like to believe that we have.

**Senator JOYCE**—Of all the amalgamations, I would have to concur with you that this is one of the most ridiculous I have ever seen. Taroom is going to be part of the same shire as Dalby—how many people live in Taroom?

**Mr Stiller**—In the total shire we have got about 2,600.

**Senator JOYCE**—How many people live in the town of Dalby?

**Mr Stiller**—I will ask my friend here because I think I saw him writing down a minute ago—

**Senator JOYCE**—About 15,000—

**Mr Stiller**—Something like that.

**Senator JOYCE**—Have you got any suggestions about how they are going to elect their councillors?

**Mr Stiller**—I understand that they are not going to have divisions; they are going to have one open electorate for eight councillors and a mayor.

**Senator JOYCE**—In effect, if you got the vote in Dalby you have got the councillors. So potentially you will be totally disenfranchised out in Taroom room.

**Mr Stiller**—Totally.

**Senator JOYCE**—Of the people on your transition council you are an elected person and all the other people by reason have a connection to election. Do you know the names of the three union reps?

**Mr Stiller**—No, sorry, I do not.

**Senator JOYCE**—Do you know anything about them?

**Mr Stiller**—I have been led to believe that one of the delegates may have been on enterprise bargaining negotiations some years ago, but I have only been led to believe that.

**Senator JOYCE**—It is inordinate power for a group of people, and, to the best of your knowledge, you do not quite know their connection to the whole community.

**Mr Stiller**—I would find it very difficult to suggest that they knew how our community operated.

**Senator JOYCE**—Do people on the transitional committee get paid?

**Mr Stiller**—Our delegates will be paid from our existing council.

**Senator JOYCE**—Who pays the union delegates?

**Mr Stiller**—I cannot answer that question; I am not privy to that.

**Senator JOYCE**—Cross-party support has been brought up again, by Senator Moore, so I have to ask again: when someone talks about cross-party support what parties do you think they are talking about?

**Mr Stiller**—I guess they are talking about Labor and the coalition.

**Senator MOORE**—And the Democrats also.

**Mr Stiller**—I have not heard the Democrats say that.

**Senator JOYCE**—So for the record, what party in Queensland brought about this problem in the first place?

**Mr Stiller**—It is a fairly pointed question, but it is the Labor Party.

**Senator JOYCE**—So we have this ridiculous situation of cross-party support but apparently, from what we can see, there must be two different parties. There must be those who are members of the Queensland Labor Party who sometimes go on planes to Canberra and those who are members of the Queensland Labor Party who do not, and apparently that creates the difference. I cannot see any other—

**Mr Stiller**—Maybe I can say thank God there are two parties, because we getting the support of one of them.

**Senator JOYCE**—It will be interesting to see how much support you actually get and what effect that support has and whether you can get the role of leadership coming from their federal leader that can actually do anything or whether you are just going to get platitudes and then be left precisely where you started. Were any further environmental studies done on the parthenium issue? Parthenium and tick are major concerns. Are you outside a tick area at the moment?

**Mr Stiller**—All but one property, I think, in the shire is tick free.

**Senator JOYCE**—In light of the current problem we are having with the equine virus and the way these issues can become absolutely paramount, have any studies been done into the effect of mitigating the parthenium and the tick defence lines and the economic cost that can have south and west of you?

**Councillor Stiller**—I think there have been some studies done by Central Queensland University. There was one doctor at that university—the name leaves me at the moment—who spoke to us at a national convention in Brisbane about parthenium weed, and she painted a very bleak picture of the health problems into a community—not only for the people who work in the grazing industry but she brought to our attention that every grazing community has vehicles that have to be serviced. The dust and the spores from the parthenium are in the vehicle. She said in a worst case scenario you could think of Dad coming home from up the paddock and giving the little one a cuddle, smothering it in parthenium dust. She was extremely concerned. They did some studies on one of the towns in Central Queensland, and the people who lived in the town were showing as many results as the people living in the rural sector, because it is a windblown spore which is inhaled. As I said before, she was very adamant that it is not if but when you get affected. It is a weed that is going to be of very big national importance.

**Senator JOYCE**—I agree with you totally—especially anywhere with black soil, and that goes right through northern New South Wales and the whole area. The ad we see on television constantly—I would suggest ad nauseam—is that one of the predominant reasons for this amalgamation is because there has not been a review of council since the 1930s. Is that the case with Taroom? How long has Taroom been around as a council?

**Councillor Stiller**—Taroom is one of the older councils; it is 105 years old. We are home to the famous Leichhardt tree. Some of the wags are wanting to know how we are going to split that. It is a very old council. Because of our basin effect, we are a very tight-knit community. I think that people in the more urbanised metropolitan areas do not realise how we interact and how important that is to our total social wellbeing.

**Senator JOYCE**—The tree analogy is a fair one. If you had a tree that was growing perfectly well for 105 years, would you pull it up and check the roots? There are no real problems inherent in the Taroom Shire Council? There is no sense of financial collapse or anything about to happen?

**Councillor Stiller**—No, there is certainly not. Some years ago we were heavily in debt because we sewered both towns, put in swimming pools and did all the things that communities should do. That debt has been paid off; we have been in credit surplus for something like the last six or eight years. We currently hold more than \$7 million in reserves. We have absolutely no debt. We have very good machinery; it is all very new. We have probably the best civic centres that any community could wish to have, and we have got showgrounds up to the same standards. From a layman's point of view, I cannot understand how we got a weak rating out of QDC.

**Senator JOYCE**—If there were a plebiscite, would you imagine people would support amalgamations or vote against amalgamations?

**Councillor Stiller**—What the people really want is a plebiscite to say, 'Put us back together.' That is, I would say, strongly No. 1; and No. 2 would be that we would like a plebiscite to ask, 'Is this the way you conduct amalgamations?'

**Senator JOYCE**—If the Labor Party does not listen to a plebiscite and they do not listen to their federal leader, what other political pressure points can you consider in the near future that you might be able to use to get them to listen?

**Councillor Stiller**—That is a very interesting question and very hard to answer, but I think the population of Queensland and the population of Australia will listen to us when we say that our democratic right has been taken away. We just have to keep hammering that point, because it all gets back to the right of any community to have some say in its destiny. We are proud of our community and our community is proud of our shire. What more can I say?

**Senator JOYCE**—I think what you have said is perfectly applicable, and that is enough. Thank you very much.

**CHAIR**—You may be able to help me with something that has been perplexing me more and more as the minutes have ticked past over the past couple of days, and that is the triple S process, which, we have heard from council after council, was well underway. It was not close to completion, because there was, I think, a five-year time frame which had been put in place, and your council was taking part in that process quite happily and willingly. We heard from Premier Beattie shortly after he announced the forced council amalgamations that he had got frustrated and tired of trying to get cooperation from councils, that despite years of effort nothing had come to fruition and that he was metaphorically throwing his hands up in the air and saying: 'It is all too much. Someone has to draw a line and do something at some point.'

In your view, what led to that? There is a total disconnect between what Premier Beattie said and what we have been hearing from councils.

**Councillor Stiller**—Number one, I have been president of South West Queensland Local Government and I know every one of those was taking part. I was tangled with WDROC, and every one of those was taking part. I know of hardly any councils that were not taking part. We all had our facilitators, we were all working down a track; we were not consciously or unconsciously dragging the chain. In our particular case we realised that we could demonstrate to the government through the SSS process that we had a very strong working relationship with our councils. We were looking at cost saving that we could do with shared plant and shared office; we were looking at all those things. It came as a complete surprise to me when I got the email to say that we were summoned to Brisbane and that the SSS process was going to be stopped.

I can only suggest that there were councils, as I mentioned a few minutes ago, that were very nearly ready to go to the people in a poll. It had been imposed on councils that within the SSS process we had to go to the people to get the people's opinion and approval. Suddenly we have a process where that has been totally thrown out. What is more, we are not even allowed to ask our people whether we are right or wrong.

**CHAIR**—For fear of what they might say.

**Councillor Stiller**—Yes. I feel very strongly, as mayor, that I can only be mayor if I have the confidence of my people. If I cannot ask my people what I should be doing, what am I doing here?

**CHAIR**—As you know, the purpose of the legislation that we are examining today is to override the punitive sanctions which the Beattie government introduced and legislated in the parliament. I assume from what you say that your wish would be to access a plebiscite to express your will against the council, in this case, being split up and merged with other bodies. If the plebiscite went ahead, would you be quite happy if the Premier said: 'Okay, I hear what you say. I am a democratically elected leader, so I will listen to the people who elected me.' You would be very happy if he then said, 'Let's go back to the triple S process and pick up where we left off'?

**Mr Stiller**—I certainly would be. The triple S process was probably a necessary thing that should happen in local government. It was a self-examination. I see nothing wrong with the triple S process, because it was non-binding but it allowed councils to look very closely at their financial, physical activities and learn from each other and work together as a cost-cutting exercise. If the Premier said tomorrow, 'Righto, we will go back to the SSS process,' he would keep most of us fairly happy.

**CHAIR**—So there is a way forward?

**Mr Stiller**—We would like to think so.

**CHAIR**—Good. Thank you very much for that.

**Senator IAN MACDONALD**—Can I ask one quick question. On the back of your submission it indicates that, if division 2 goes into Dalby, it will create a town of 30,000 and, if division 1 goes into Banana, it will create a town of 15,000. I am not sure why you have put



those figures there—I have not read the letter in full; I have only just got it, as you know—but is that meant to suggest that the next best option to being left alone would be if both of you went into Banana?

**Councillor Stiller**—It is quite possible. That is a decision that we, as a council, have not taken, the main reason being we want to keep our eyes on the ball. Our No. 1 project is to try to keep our community as a viable community, where we interact with each other and we are on the same wavelength. Council purposely has not taken that decision. It is not that we could not get on well with the Banana Council—we get on extremely well; there is no question about that—and with our neighbouring councils to the south, but once you get down as far as Dalby we hardly know them and we would have to introduce ourselves when we arrive.

**Mr Becker**—To clarify: the reason those figures are there is to compare the value of our assets in Taroom per person with the value of assets in the other shires that we have been amalgamated with. If you have a look, we are probably four times better off the way we are than we will be when we join up.

**Senator IAN MACDONALD**—So you are being duded?

**Mr Becker**—Yes, we will be about \$30,000 per person worse off when we join forces.

**Councillor Stiller**—There is another point I would like to make. A submission has been forwarded by one of our rate payers who is here in the audience today. That submission has my full endorsement as well.

**Senator IAN MACDONALD**—Which submission is that?

**Councillor Stiller**—That is the Waring submission. We handed it in at lunch time. If you do not have it, I can certainly supply it.

**CHAIR**—Thank you, Mayor, and the councillors of the Taroom Shire Council for your attendance. I call to the table the Tara Shire Council. As Councillor Dinham makes his way to the table, I draw to the attention of the public gallery that at the conclusion of the evidence from Tara Shire Council there will be an open forum, during which members of the gallery can make their way to the table and make two-minute statements.

[3.23 pm]

**DINHAM, Mr Malcolm Harry, Councillor, Tara Shire Council**

**CHAIR**—Welcome, Councillor Dinham.

**Councillor Dinham**—Senators, I thank you for the opportunity to be here today. Firstly, I would like to apologise for our Mayor, Deputy Mayor, CEO and two councillors, who could not be here because of the local government conference on the coast.

**CHAIR**—It has occurred to us that we should have had a hearing on the Gold Coast at the same venue as the local government conference.

**Councillor Dinham**—It would have been a good idea. I got lumbered with this on Tuesday, after I got back from a meeting in Charleville. I would like to thank you for the opportunity to provide this submission in relation to the proposed legislation to allow Queensland local governments to engage the Australian Electoral Commission to conduct polls and plebiscites on our behalf. This legislation is vital to gauge the feelings of our residents in relation to the recently introduced Queensland local government reforms. These reforms remove the democratic right of the general public to hold referendums into the future of their local government boundaries. It is important to note that the Tara Shire had been participating in the SSS reform process to identify processes that could lead to greater efficiencies for local government. The process may have led to council amalgamations subject to a referendum of the rate payers of affected councils.

The legislation introduced by the Queensland government has removed the democratic right of the community to voice its opinions on the now-widespread forced amalgamations of councils. This council has received several inquiries and requests from residents to hold a referendum to allow them to at least be heard despite the fact that their opinions will be ignored due to this legislation having been rushed through parliament a couple of weeks ago.

In conclusion, I would urge you, on behalf of the council, to pass legislation to allow this council to hold a plebiscite without the fear of criminal charges or the threat of a council sacking. People have said to us, ‘Why did you hold back on this?’ We all know that a councillor cannot be elected to council if he or she has a criminal conviction. This was the reason; we were protecting people who would want to be possible election nominees at the next elections. That was the reason. It was not that we were not interested. We were being very cautious as to our legal rights.

Tara shire was established in 1912. It is a very proud shire. It is of 11,417 square kilometres at the moment. Under the proposed amalgamation as it stands—with Wambo, Dalby, Chinchilla, Miles and half of Taroom, being the Wandoan half—we are looking at around 40,000 square kilometres. That 40,000 square kilometres would be governed by eight councillors and one mayor. To cross from the southern end, as Senator Joyce would know—around the Flinton area—to the top of Taroom, you are looking at about five hours of travel. We know that it is taking away the earth side of things whereby people can go to their local-government member without an appointment and speak with him or her, for them to give

them some answers to their problems or whatever it is about. We feel that this would take this away because of distance and travel.

We employ around 120 people in our shire. We have \$10 million in the bank, in IBDs. We have no debt and we have around \$86 million in equities. We feel that it was absolutely outrageous for the shire to have been placed in the 'weak' category. We could not work out why we were placed in this position.

We have five towns in our shire. They are little towns. We have Meandarra, Glenmorgan, Flinton, Moonie and the little settlements of Westmar and The Gums. They will come under our jurisdiction. Our grader operators camp out because of the distance. It is too great for them to travel from Flinton to Tara every day. Over half of their working day would be taken up in travel, which in turn would be cutting down their production rate. So they camp out and we pay them a camping allowance. We have already lost five employees, experienced operators who have been worried about their future after the amalgamations. They have resigned and left the shire and are looking for employment in other places where they feel they would have more secure long-term employment. As Mayor Stiller said, there is a feeling of mistrust. Nobody really knows what is going to happen. People have mortgages to pay, bank overdrafts to pay and those types of things. They are getting extremely insecure.

In our shire a few years ago, the National Bank were thinking about pulling out so Tara Shire Council bought the bank. It has it on a five-by-five-year lease. The National Bank renewed that lease because they are quite happy with the setup. We have over 500 students alone in our school, Tara Shire State College. Then we have as well St Joseph's college in town. We have a preschool centre. We have schools at Hannaford, Meandarra, Glenmorgan, Flinton and Moonie. We have also got an RTC in Moonie. It is a wonderful asset to our shire to have this RTC. That was federally funded and we are very thankful for that.

I do not know that I can say a lot more, really, except that when we did the SSS, we went into that in great detail. There are three divisions in our shire. In division 3, I think we were 23 residents short of the number required to make equal divisions. We had to either to cut off some of the boundary of division 2 or reduce the number of councillors in division 3. So, after a lot of discussion, we reduced the number of councillors in division 3 from three to two councillors. That really upset the nominated councillor, who was a councillor there, but that was the only option, and the council decided on it. There is a lot of anger—extreme anger—in the shire as to why this should happen. The feeling is that consultation from the state government is not a matter of 'We're going to talk to you'; it is a matter of 'We told you.' That is the feeling. It has been brought up at public meetings that that is their understanding of consultation amongst the people. There is no consultation.

**Senator JOYCE**—I am not going to go through the ritual, but you are going to be told about cross-party support. You know what our position is there: there is no real cross-party support—or there is cross-party support from certain sections of the party but not from others. The issue really is this: do you know of any towns through the history of amalgamation across Australia that, once they have lost their councils, have actually grown? I know from the history of amalgamations in New South Wales and the last time it happened down there that, once a council goes out, it really changes the whole dynamic of the town. It becomes almost like a poverty trap on a lot of issues.

**Mr Dinham**—No, the only council that I know is at Murrurundi. I have a personal friend down there. They were amalgamated with Scone, I think, and then with Muswellbrook. They have a lost a lot of their services—their garbage collection, the general road services and this type of thing—and they are extremely unhappy, but that is the only council that I have personally had experience with.

**Senator JOYCE**—But if you look through Queensland at ones that happened in the past—Augathella, Morven, Mungindi and all these towns—do you know of any town that has thrived after amalgamation? The question is: if it has not thrived, has the larger council that it has gone to become a vastly more efficient and economical unit after amalgamation? Do you know of any evidence of councils becoming vastly more efficient once they have become vastly bigger?

**Mr Dinham**—Quite the contrary. At the meeting at Charleville last week they were talking about the lack of services in Morven. You mentioned Morven just then, Senator. But, to answer your question, no, I do not know of any council that has improved through amalgamation.

**Senator JOYCE**—What is the population of the town of Tara—about 2,000 people or something, isn't it?

**Mr Dinham**—The population of the town itself is just over 1,000, and the population of the shire is just a fraction under 4,000.

**Senator JOYCE**—What is the population of Dalby?

**Mr Dinham**—It was 10,600 at the last count that I know of.

**Senator JOYCE**—And, surrounding that, the Wambo Shire?

**Mr Dinham**—I think Wambo Shire is about 5,500.

**Senator JOYCE**—So there are about 15,000 people there. For the record, it is a doughnut shire. It is a town surrounded by a shire, which would most likely be a relevant one to amalgamate, seeing that they probably have their offices in the same town. How are you going to deal with the obvious numbers that will be against you in a place like Dalby when you want to get resources out to Tara? Let's be factual. Most of the councillors are going to come from what were formerly Wambo and Dalby. The vast majority will. In fact, possibly all of them will, I would say.

**Councillor Dinham**—We are hoping that that is not the case. Dalby and Tara have always been very competitive but on a very friendly basis. Since the name of the Dalby Regional Council was announced and the meeting was between the six shires, the five shires put up a recommendation to be called the Western Downs shires. Dalby stuck it out, and said, 'No, it will be called the Dalby Regional Council.' It had to be a unanimous decision and therefore it was to be called that. I understand—and I have not read the paper, but somebody was telling me this morning that Dalby has now backed off—that there has never been animosity between these shires. But now we are feeling that there is a mistrust, and I do not think that is right. Why it has been set up—if it has been set up—to cause a mistrust and anger and competition between the councillors, I do not know. Whatever it is, I do not like it. It has never been there before.

**Senator JOYCE**—Are you saying it is starting to divide the house?

**Councillor Dinham**—Exactly. I have not found this in the other five shires to the west and north of us, but I have found it amongst the people from Dalby.

**Senator JOYCE**—If you were having a plebiscite, which would be facilitated so that you do not get a criminal convention against you by this legislation, when do you think would be the most effective time to have that plebiscite, before or after a federal election?

**Councillor Dinham**—I have not given that a lot of thought, but if people want their opinions expressed, then as soon as possible.

**Senator JOYCE**—If there was a strong view conveyed in a plebiscite and the Labor Party, which are the party which brought about the whole problem in the first place, were not to listen to that and were not to mitigate their intent, what do you see as the next political pressure point that you could use to get them to pay a little bit more attention to you?

**Councillor Dinham**—That is a pretty heavy question. I did not properly understand the question.

**Senator JOYCE**—Do you think that a federal election would be a political pressure point that you could lobby towards to get the Labor Party to listen with a little bit more effect than what they are currently doing?

**Councillor Dinham**—Yes, I do.

**Senator FORSHAW**—We certainly appreciate your attendance here today and the fact that councillors and mayors from across the state are attending the conference on the Gold Coast. I am very conscious of that and the fact that a number of witnesses have had to travel long distances and make fairly quick arrangements or alternative arrangements to get here. Firstly, are you aware that Mr Rudd, the Leader of the Opposition in the federal parliament, is on the record from at least 17 May this year as calling for and supporting local plebiscites on the amalgamation issue?

**Councillor Dinham**—No, I am not.

**Senator FORSHAW**—Let me assure you that he has and he has had a consistent position and said that publicly on many occasions. Are you aware of what Mr Howard said when he first made a public statement about the holding of local plebiscites on amalgamation of Queensland councils?

**Councillor Dinham**—No, not word for word, except that my understanding was he would support it.

**Senator FORSHAW**—His government introduced the legislation. He made a public statement about it on, I think, 7 August. As I said, Mr Rudd was on the record in May. You have been asked, and you have heard evidence from previous witnesses, questions about differences of opinion within political parties, particularly the Labor Party at the state and federal level. From your knowledge, do you believe or understand that it will always be the case that all members of political parties at the state and federal level will all have the same view on a political issue or on an important issue?

**Councillor Dinham**—No, I think if you have the same view you will never have a change, will you? You will have to have differences of opinion and different views; otherwise nothing will work. You have to be able to discuss these things to get them sorted out.

**Senator FORSHAW**—Do you recall that the Queensland National Party at the state level had a different view at one stage on the Work Choices legislation from that of their federal counterparts in Canberra?

**Councillor Dinham**—I can understand that they would have.

**Senator FORSHAW**—Do you recall that Senator Joyce, for instance, has on occasions had differences of opinion with other members of the Queensland Nationals?

**Councillor Dinham**—I understand that, yes.

**Senator FORSHAW**—And that he publicly stated so?

**Councillor Dinham**—Yes.

**Senator JOYCE**—Are you looking forward to people of the federal Labor Party expressing different views from those of the state party?

**CHAIR**—Senator Forshaw has the call.

**Senator FORSHAW**—You try to convince people of the correctness of your view by argument, persuasion, debate and influence. That is what would happen at council as well, wouldn't it, if you try to get support for a proposition?

**Councillor Dinham**—That is the Australian way.

**Senator FORSHAW**—Yes, that is right.

**Councillor Dinham**—You must be able to express your opinion.

**Senator FORSHAW**—Yes. I have heard of the Heffernan way, but I do will not go there. When this legislation passes through the parliament, as it will because it has cross-party support from the Labor Party and other, minor parties, including from the Democrats—although I have not yet heard from the Greens, but the numbers are there from the government and the opposition to pass this legislation—it will then enable your council to have a plebiscite without any interference or threat from the state government. Do you understand that?

**Councillor Dinham**—Yes.

**Senator FORSHAW**—Have you actually looked at the legislation?

**Councillor Dinham**—No.

**Senator FORSHAW**—Let me tell you that there is no mention in the bill of local government plebiscites as such. It is a broad coverage; it talks about 'any activity'.

**Senator IAN MACDONALD**—Such as a plebiscite.

**Senator FORSHAW**—Such as a plebiscite, yes.

**Senator IAN MACDONALD**—'Plebiscite' is mentioned. I do not know why you try to keep misleading—

**Senator FORSHAW**—I am not misleading. I had—

**Senator IAN MACDONALD**—It is clearly mentioned.

**Senator FORSHAW**—I said that there is no reference to local government plebiscites. There is no mention of local government and there is no mention of amalgamations. I am not seeking to draw anything from that in terms of the impact of this legislation. It is clearly designed to be used for the amalgamation process in Queensland. That is clear. Councillor Dinham, is your council aware of any opportunities in the future to use this legislation on other issues, because it will remain on the statute books specifically for issues where a state or federal government might want to impose something on a particular local government area and the local government might want an opportunity to have a plebiscite without any interference of threat?

**Councillor Dinham**—I cannot speak for the whole of my council, but I can say that there would be the opportunity there for them to use it.

**CHAIR**—Are you aware that the only legislation at a state or federal level designed to protect the rights of your constituents to have a say on local government amalgamations was initiated and drafted by the federal coalition?

**Councillor Dinham**—Yes.

**Senator IAN MACDONALD**—In relation to Senator Forshaw's last question, are you aware that until Mr Beattie and the Labor Party passed this legislation three weeks ago, your council could have had a plebiscite on anything it wanted to?

**Councillor Dinham**—I understand that, yes.

**Senator FORSHAW**—Involving the AEC?

**CHAIR**—Senator Macdonald has the call.

**Senator IAN MACDONALD**—I do not see anything about the AEC in this legislation.

**Senator FORSHAW**—It is an amendment to the Electoral Act.

**Senator IAN MACDONALD**—I do not see anything about the AEC—

**Senator FORSHAW**—Well, read it.

**CHAIR**—Senator Forshaw, Senator Macdonald has the call.

**Senator IAN MACDONALD**—For Senator Forshaw's information, it is an administrative decision, not a legislative decision. You would want to understand what you are asking about.

*Senator Forshaw interjecting—*

**Senator IAN MACDONALD**—You clearly do not. Up until now, if a council wanted to have a view about anything at all, it could do so?

**Councillor Dinham**—Yes.

**Senator IAN MACDONALD**—When the Labor Party changed this, you were prevented from having a view on the future of local government? Do you understand that?

**Councillor Dinham**—Exactly.

**Senator IAN MACDONALD**—How many people do you have working in your council?

**Councillor Dinham**—About 120.

**Senator IAN MACDONALD**—Are they represented by a union?

**Councillor Dinham**—Yes.

**Senator IAN MACDONALD**—Which unions are they?

**Councillor Dinham**—I think it is the TWU and—I am not well up on unions—I think it is the AWU, the Australian Workers Union.

**Senator IAN MACDONALD**—That is ‘Big Bill’ Ludwig, as they call him—his union.

**Councillor Dinham**—Yes.

**Senator IAN MACDONALD**—Yes, that is right—a fairly influential union in the Labor Party, the AWU. I am not sure if you are an expert on this; perhaps I should not be asking you.

**Councillor Dinham**—No, I am not.

**Senator FORSHAW**—You could ask me.

**Senator IAN MACDONALD**—Actually, you will have your chance in the next five minutes, Senator Forshaw. You have been giving evidence all day. You can go and take part in the community forum for two minutes.

**Senator FORSHAW**—Let us check the *Hansard*—we will measure the word count.

**Senator IAN MACDONALD**—In the Tara Shire, do your workforce agree with this forced amalgamation? Are they worried about their jobs?

**Councillor Dinham**—They are worried about them. We have our EBA. We, the council, have a very good working relationship with the workers. I cannot remember ever, in 14 years, any action or strike action at all. Whatever comes up as a concern comes through to the CEO, and the matter is usually resolved to the satisfaction of all concerned.

**Senator IAN MACDONALD**—Do you know if your workers were a bit disappointed that the unions, for some reason, did not seem to come on their side in relation to their worry about their future?

**Councillor Dinham**—No, I have not had anybody mention anything about the unions not coming on side with them at all.

**Senator IAN MACDONALD**—Have you heard if the unions have stood up for your workers?

**Councillor Dinham**—No.

**Senator IAN MACDONALD**—Do you know that there is this transition group going?

**Councillor Dinham**—Yes.

**Senator IAN MACDONALD**—Are you familiar with how that will be operating?

**Councillor Dinham**—Do you mean in relation to CEOs?



**Senator IAN MACDONALD**—No. Who is on the transition group? I think you might have heard the mayor from Taroom say that he thought there were two from each council involved in the transitional period. Are you familiar with that?

**Councillor Dinham**—No, we have not resolved anything like that at all, at this stage, that I know of.

**Senator IAN MACDONALD**—Are you aware of union members being on this transition group?

**Councillor Dinham**—I would not know who was on it at this stage; I am sorry.

**Senator IAN MACDONALD**—I take it from that that you cannot recall the council having received a letter—perhaps you would not; it would go to the CEO—and that you do not know what form it will take, what pay there will be or who is going to make the decisions?

**Councillor Dinham**—No, I am sorry; I do not at this stage. I have been home for three days in the last 2½ weeks, and really I have only been in the office to pick up some paperwork to come up here, and that was it.

**Senator IAN MACDONALD**—You have done very well with that, and we do appreciate it. I think you have made your point on behalf of Tara and the concern that is being expressed. It is suggested that Mr Beattie is going to change his mind and withdraw these penal provisions of the act. Have you heard that? You have heard discussion about it?

**Councillor Dinham**—I have heard it spoken of, yes.

**Senator IAN MACDONALD**—Would you be relaxed if the federal government turned around and said, ‘Oh, well, he’s going to withdraw it; we won’t bother going ahead with this bill’?

**Councillor Dinham**—No. I think the federal government should go ahead with this bill.

**Senator IAN MACDONALD**—Why would you would think that?

**Councillor Dinham**—I just feel that it would show that the federal government had some teeth and that they were willing to support what the majority of Queenslanders feel—that the wrong thing has been done to them. The federal government is at least getting in and saying, ‘Look, we will support that. There has been wrongdoing here.’

**Senator IAN MACDONALD**—Thanks very much for coming along at short notice and carrying the whole burden of the Tara Shire. We very much appreciate it.

**Councillor Dinham**—Thank you very much.

**Senator MOORE**—Councillor Dinham, I was not going to say anything, because the points have been made, but I just want to reassure you that, certainly from the Labor Party’s point of view, there is no intention of not proceeding with this legislation. It has cross-party support. That has been clear from the start. Rather than just throwing lines out there and leaving it there, I thought I would add that. Thank you.

**Councillor Dinham**—That is great. Thank you very much.

**Senator MOORE**—And I hope you get home for some time!

**Councillor Dinham**—Thank you. I have my wife with me.

**CHAIR**—Councillor Dinham, thank you very much. We appreciate your time.

[3.50 pm]

**CHURCHILL, Mr Glenn Gordon, Private capacity**

**WEARING, Mrs Josephine Mary, Private capacity**

**CHAIR**—We now move to the open forum section of today's hearing. Mr Churchill, statements are to be of two minutes length, and there are no questions from our side of the table.

**Mr Churchill**—Thank you for the opportunity to speak. I did make a submission. I believe that that submission is self-explanatory, and I am sure that you would have had the time to read through it. I will make this as short and succinct as I possibly can. I thank you for the opportunity, and I welcome you in bringing a Senate inquiry to Central Queensland. The reason we are here today, appropriately, is that, in my opinion, we have one level of government trying to shut down or annihilate another democratically elected level of government. In saying that, I recognise that there are probably three key points here today.

I will introduce myself. Yes, I am a candidate for the federal seat of Flynn, with The Nationals. I am also the Mayor of Banana Shire, with 11 years experience in local government. I am also the elected representative for all the local governments of Central Queensland, and many of them have appeared before the Senate inquiry today.

I want to make three points. One is recognising the importance of freedom of speech, something that you in your leadership role will have to consider. Another one is the democratic right to have a say. That is an important issue. Last but not least—as a police officer with 26 years of service, still serving—there is the important aspect of the right of appeal. In saying that, I refer to the federal seat of Flynn, where the No. 1 issue that appears to be uniting all of the communities, all 322-plus, is that there are 28 councils to be decimated down to eight, plus one Aboriginal community. I learnt that the Queensland government's draconian and tyrannical legislation meant that local government elected members would be sacked, in my other capacity—and I am sure my fellow candidates recognise that this is a big issue throughout the seat of Flynn. I am currently polling, at my own expense, every voter in the seat of Flynn, and I will have those results next week.

I would like to congratulate the government's initiative in this bill, but I also welcome and recognise that I have heard on many occasions here today—and I am pleased to hear and I am sure the people here attending would be pleased to hear—that there is cross-party support.

My last comments are that this Senate inquiry sends a strong and clear message that democracy is well and truly alive and that we value the right to vote and the freedom of speech. I would like to submit to this inquiry one piece of evidence that has been made available to you, and I would like to appropriately refer you to the second paragraph on page 10—I do not intend to read it. It is vitally important. It is about what the Banana Shire tried to do four years ago by reforming its own council, and it was criticised and castigated by the Queensland government and Bob Longland, the chair of the reform commission, who had been the Queensland Electoral Commissioner, who said we did not consult with the people when we made such a decision.

**CHAIR**—Thank you, Mr Churchill.

**Mr Churchill**—Thank you very much for the short period of time. Thank you for the opportunity.

**CHAIR**—I now call Mrs Wearing.

**Mrs Wearing**—I thank the committee for making this opportunity available. It was unexpected and I am ill-prepared. Some of you may have seen a submission that I made late yesterday; it was made privately by my husband and I. I am a rate-paying resident of Taroom Shire and have been for 27 years. I endorse everything that our mayor has said. I have listened with great interest to other representatives of shires who have very cogently argued their case for financial independence and for the economic management of their shires. What is overwhelmingly clear is the importance of shire councils to communities. They are, as an earlier representative said, the glue that holds our communities together. Without them we will lose all of the services that have been described here today and, very importantly, we will lose the very high levels of volunteerism that occur in small and rural communities. This level of volunteerism, which is supported by shire councils, provides a standard of living well above that which is measured by the economic and financial indicators that groups like the reform commission take into account.

I believe that I clearly understand the role of the Senate committee—that it is not specifically to examine the cases that have been put forward today but to determine the need for the bill before it. I would argue very strongly that we need that bill to underpin our democracy. Democracy has been flagrantly flouted in Queensland in recent times by the removal of the right of councils to call plebiscites and the enacting of the legislation that would have fined and imprisoned our representatives if they had answered in all cases the will of the people in the holding of a plebiscite. I know that in Taroom and in other councils our councillors were under pressure to hold a poll. In our case and in others they decided that what was important was that they remained in place to represent their people throughout the transition period. What a tough call to make—and to have to face the ire of their community for not having the backbone to stand up to the state government.

Our democracy has suffered a double blow in this process. One is the removal of the right of people to vote or to have their elected representatives effectively represent them. The other is that, in my view, the most immediate form of democracy is local government. It is the level at which we have close contact with our representatives. We have people representing us who understand our daily lives and the impact of government decisions at their level and at higher levels upon us. In forcing amalgamation on us and denying us that right, we are suffering the removal of our vote and the removal of that level of representation.

**CHAIR**—Thank you, Mrs Wearing. That concludes the committee's hearing today.

**Committee adjourned at 3.57 pm**