

**LOCAL GOVERNMENT (TRANSITION OUT OF ADMINISTRATION)
AMENDMENT BILL 2026**

SECOND READING SPEECH

On 24 January 2019, the then Governor, His Excellency, the Hon Hieu Van Le AC, issued a proclamation declaring the District Council of Coober Pedy to be a defaulting council under section 273(5) of the *Local Government Act 1999*.

Since this time, the Council has been in administration.

A history of serious mismanagement at the Council, as demonstrated by the report of the former Ombudsman and later a report of the Auditor-General, was the basis for the Council to be placed into administration.

The Malinauskas Government is committed to finding a solution that will work for Coober Pedy in the long-term, to determine how one of our most remote communities can best be supported through local governance and services that best fit its needs.

Speaker, it's important to reflect on some of the key drivers that led to the Council being placed into administration:

- serious findings of maladministration in the Council's management of a Power Purchasing Agreement for electricity generation for the town; and
- significant failings and deficiencies in the Council's financial governance.

These matters were exacerbated by the delivery of essential services that, uniquely, are delivered by this Council – including how those debts were managed.

A year after the Malinauskas Government began investigating the issues at the Council, it became increasingly clear that the issues at the District Council of Coober Pedy were far more serious than had first appeared.

Based on the reasons the Council went into administration, as well as the advice of the administrators, I believe it's crucial that the matters of debt and the delivery of essential services are addressed in the very best interests of the Coober Pedy community.

Adequate supports to build up the community's capability in terms of a local government is imperative.

I do not want all of the hard work of the last four years to be wiped away because the job was rushed. The Coober Pedy community rightly deserves to have this done right.

We want to see an elected council return as soon as possible. However, we must also be sure that the future Council can manage local services sustainably, so it is essential that the Council continues to address the serious issues that led to it being placed into administration.

While resolving these issues is not a straightforward matter, the Malinauskas Government and the Council's administrators have made substantial progress to improve the Council's situation.

I also acknowledge the work undertaken by the Member for Stuart, including visiting the town four times in the two years he was Minister for Local Government, attending public forums each time, and continuing to visit as the Member for Stuart following his resignation as Minister.

Essential Services

As mentioned earlier, the Council's responsibilities to provide essential services are unique amongst all South Australian councils. However, it has been made clear that the Council lacks the capacity necessary to deliver water and electricity services sustainably without impacting the Council's municipal budget and service delivery.

In February 2026, the then Minister for Local Government and the Minister for Housing Infrastructure, announced that the Council's water service will be transferred to SA Water by the end of this year.

Once SA Water takes charge of the service, the community can expect a program of improvements aimed at fixing leaks, reducing water loss and building a more efficient, sustainable supply system.

The Department for Energy and Mining is currently discussing with the Council the future supply of electricity for the town of Coober Pedy.

The Council's Administrators are of the view that it is important to resolve, as far as possible, essential service matters before a new council is elected so that it would have the best possible foundation for success.

The Principal Administrator has advised me in the strongest possible terms of his concerns about the readiness of the Coober Pedy Council to return to an elected body at the next periodic local government elections, given the seriousness and complexity of the issues the administrators are working to rectify.

The Malinauskas Government will continue to work closely with the Council and the Coober Pedy community to ensure a smooth transition — including an exact transition date — and long-term stability for essential services in the region.

Speaker, I appreciate the seriousness of this matter and the importance of the local community having a say in the future of their council. I believe it's important to get out on the ground and meet with community to understand their perspectives first hand.

Which is why I was pleased to visit Coober Pedy in July, where I met with a number of stakeholder groups, including the Coober Pedy Retail, Business & Tourism Association, the Coober Pedy Together group, the Umoona Community Council, and AMYAC, accompanied by the Member for Stuart and the President of the Local Government Association, and I heard from members of the Coober Pedy community that the Council should not be returned to a full-elected council in the short term.

The Government is of the view that a possible hybrid governance model could help the Council begin to emerge out of administration and provide for a transitional period of appropriate oversight. This was reflected to me by the community during my visit.

I now turn to the provisions of the Bill.

The Bill's central reform is a new proclamation-making power under new section 273A of the Local Government Act to enable special transitional arrangements to be put in place to support the Council's transition from administration.

This new head of power will enable the variation or suspension of provisions in the Local Government Act or any other Act in relation to the District Council of Coober Pedy, by proclamation.

While this is a general head of power, the new section 273A proposed in the Bill inserts the type of matters that a proclamation in relation to Coober Pedy Council may include, for example—

- modify the Council's representation and structure and oversight of its important Council decisions;
- set the number of members of the Council;
- determine positions that are elected or appointed;
- appoint a person to authorise decisions of the council, such as the adoption of its annual business plan or long-term financial plan. This person would operate as a financial controller to support the Council's decision-making; and
- approval of key changes in appointments by the Council, including the appointment, removal and termination of members of the Council's audit and risk committee, its auditor, and its chief executive officer.

These are significant powers. Therefore, they may only be enacted by a proclamation issued by the Governor, on the recommendation of the Minister, and may only be enacted if the Governor is satisfied that the variation or suspension of the specified provisions is reasonably necessary for one or more of the following purposes:

- the council's transition out of its period of administration; or
- the efficient and effective administration and operation of the council during a transitional period after the cessation of its period of administration.

Importantly, the Bill provides a requirement that the Minister must report to both Houses of Parliament of the circumstances giving rise to the making of the proclamation. This is similar to the requirement that the Minister must report to both Houses of Parliament when a proclamation is made to place a council into administration in the first place.

Under the Local Government Act, the Council's maximum period of administration ends at the conclusion of the next local government periodic elections in April 2027.

The Bill will uncouple the Council's maximum defaulting period from the local government periodic elections.

To support this, the Bill will amend the Council's maximum period to be a date specified by a proclamation made by the Governor, on the Minister's recommendation. Ancillary to this, the Bill will stop the Council's April 2027 periodic elections, and anything done for the purposes of the election will be taken to be void and of no effect.

When the Council was placed into administration, the Local Government Act provided that the maximum period a council could be in administration was 12 months.

As members would recall, the Council's maximum period of administration was first extended in 2019, and then again in 2022. This reflects the seriousness and complexity of the Council's circumstances, particularly its responsibility for the delivery of both municipal services and essential services.

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Specifying the Council's maximum period of administration by a proclaimed date will support the transfer of the Council's essential services and provide a coordinated end date to the Council's administration for the benefit of the Council and the people of Coober Pedy.

The Government wants to see an elected council return to Coober Pedy as soon as possible. However, we must also be sure that the future Council can manage local services sustainably.

While the intention remains that the Council should be returned from administration as soon as it is able to be, this may be subject to special transitional arrangements under a proclamation made under the proposed new section 273A.

These transitional arrangements are designed to give the Council every chance of success - the Bill balances flexibility and support for the Council's transition from administration with transparency and oversight and I commend the Bill to members.

I want to make this very clear. This Government is committed to finding a solution that will work for Coober Pedy in the long-term, to determine how one of our most remote communities can best be supported through local governance and services that best fit its needs.