

LOCAL GOVERNMENT — AMALGAMATIONS

Motion

Resumed from 2 May on the following motion moved by Mr J.N. Hyde —

That this house calls on the Barnett government —

- (1) to provide advice as to the cost of its flawed and failed amalgamation process to date, and the cost to both the state government and local governments; and
- (2) to rule out forced amalgamations of councils in Western Australia.

MR M.P. MURRAY (Collie–Preston) [4.14 pm]: I have spoken previously on this motion and it looks like I have another 10 minutes. Speaking of time, I must say how time changes the attitudes, views and decisiveness of what the amalgamations will do to the Local Government Act. Local government amalgamations have occurred in Geraldton and the conservative government has said that that was positive, but what happened when the local government handed down its first budget? The rates increased by 15 per cent. That is one of the highest increases in the state. Is that an efficiency or is it just bleeding the people in that area? Previously, the rates were far lower. I would really like to hear what the Minister for Local Government has to say about that failed experiment. Many people there will be hurting even more after the increases in the cost of electricity and water. What happens when the rates are put up? The investors have to pass on the cost to those people who are battling to pay their rent, and the rents have gone up. Those who are in part-time work and battling to pay their rents are really struggling. Members who have spoken to those people will understand that. That is occurring in not only country areas. In Geraldton there was a 15 per cent increase in the rates. I would say that would have to be one of the highest increases in this state for many years. I am sure that the minister was embarrassed about that increase. If it is 15 per cent this year, one can only assume that the council, which has said that it will drop it next year, will drop it down to 10 per cent. The cost of living and even the inflation rate is under two per cent yet there was a 15 per cent increase in rates. That is a failed experiment. It will be interesting to hear what the minister has to say about that.

Forcing councils to amalgamate will only exacerbate the problem in many other areas. I see people who help out their shires in their own time. In small shires, such as the Shire of West Arthur, people are willing to get out on the roads and give a hand shovelling a bit of dirt if there are potholes on the road. That sort of thing will no longer happen because people will say that it is not their job. That is because they have lost their identity and their shire. They will ask, “Why should I help out?” I can see that causing the rates to increase again. West Arthur is one of those vulnerable shires because of its small population. I know a lot of people who live in that area and the member for Wagin’s area and by gee they have great pride. The people of West Arthur are doing more than enough as a country town to make sure that they keep their identity.

With the state election looming, I ask the minister to put out his policies and not hide them so that people can make their decision at the ballot box. I forewarn him that we know what happened to the Kennett government in Victoria. I believe that is why the government is not putting its policies on the table. This government says that it is open and accountable, but it should put its policies on the table so that the people can go to the ballot box knowing full well what they want to vote either for or against. I am not saying that they will vote one way or the other; I am just asking the government to make a clean and open decision when it goes to the ballot. The minister has not done that, despite the fact that we have asked him. He says that he will look at it after the election. Most people want to know before the election; in fact, all people want to know before the election. That is particularly the case for the people who work in the shires. They want to know what their future will be. They do not know whether to invest in a house or buy a car because they do not know what their future is. The council CEOs are scrambling to maximise their positions because they are under threat. They understand that if amalgamations occur, only so many of them can remain in their job. That has caused friction between one shire and the next. We have seen that happening over time.

The last thing we need in country Western Australia is friction between the shires. If there are voluntary amalgamations, I do not have a problem with that, but they must have the support of the people. Obviously something went wrong in Geraldton for the rates to be increased by 15 per cent. Either the support was not there or the process failed somewhere along the line. I do not think that the people in Geraldton would have expected a 15 per cent increase in their rates. No-one would have expected that in this day and age when, as I said, the rate of inflation is around two per cent.

Another thing we must look at is the small towns. Right across our state, some of those towns exist only because of their shire. There will be 20 or 30 houses in these small towns. The shire is the main employer. In recent times, I think some of the midwest country towns have been a bit luckier when some work has come their way

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from the mining industry. What I am saying is that the minister should not go out there and make a holus-bolus change that will drive the people who are struggling to survive in country towns out of the area and into the city, which they do not want. They are true country people. They do not want the world. They just want a bit of peace and quiet; they want their open spaces. But if we continue the way we are going, there will not be any income for them, so they will have to move on. We have seen this happen over time when many of the small towns have just disappeared, and I have spoken about that previously. We should not let it happen again. It is up to the minister to inform this state about where we are going with amalgamations of shires and where we are headed—not what we might do or what could happen, but what will happen under this government. I think it is only fair that the minister table that information either today or before the election so that people know where they are headed.

In finishing, I say that the minister has been very quiet in recent times. It may be that the minister has changed his position—because, as I said, time is a great healer; time is a great changer—on this issue or has done some polling that has shown that this initiative is not very popular, so it should be put on the backburner until the election. Either way, the minister has certainly been very quiet on this issue. He was very bullish, especially in the Bunbury area, where it is quite a contentious issue. I am sure that the minister, as a former mayor for that area, has a greater understanding than most of the workings of the Bunbury council and its views about amalgamation. The outer areas certainly want to hold on to their identities. The minister should let us know before the election what he is going to do.

MR G.M. CASTRILLI (Bunbury — Minister for Local Government) [4.21 pm]: Soon after I became the Minister for Local Government in the Barnett Liberal–National government, I discovered the state of the local government sector to be of a certain manner. There were 139 local governments in Western Australia, which amounted to approximately 25 per cent of the nation’s total number of local governments. There were in excess of 1 240 elected members, which was approximately 27 per cent of the nation’s total. Sixty-one local governments were unsustainable and required significant structural reform. A further 48 required structural reform of some form to meet the current and future needs of their communities. Only 30 were found to be sustainable for the long term. I also discovered that 36 per cent —

Mr J.N. Hyde: Why are you waiting until after the election if they are all so bad? Why don’t you get on with it?

Mr G.M. CASTRILLI: Mr Acting Speaker (Mr P.B. Watson), I think I listened to the shadow minister in total silence last time, and I do not want to encourage any interjections, so I will speak through the Chair, if that is all right with you.

Thirty-six per cent of local governments had limited or no strategic planning. I also discovered that 77 per cent had limited or no financial management planning. Also, 82 per cent had limited or no financial planning to identify asset maintenance and renewal gaps. That all came from local governments’ self-assessment. That was the state of local government when I became the minister. That is what I inherited after eight years of Labor. Labor members were asleep at the wheel. Even Labor’s own 2006 report warned that government at the time about all this, yet nothing was done about it.

What have I done about it? I approached local government from two perspectives. One was about structural reform and the other one was about capacity building. In regard to structural reform, two local governments have merged—that is, the City of Geraldton–Greenough and the Shire of Mullewa. The member for Collie–Preston talked about the 15 per cent rate rise from the City of Greater Geraldton. I can tell the member that I am always concerned about huge rate rises in any local government, because it puts pressure on the community. I think local governments need to sit down sometimes and realise what they are there for. It has nothing to do with amalgamations. They need to have regard for their communities and what they can and cannot afford. They need to distinguish between needs and wants, and they need to look at their capacity in discretionary lending. That is what they need to do. Without any amalgamations, the member will probably remember that the Shire of Nannup’s rate rise the previous year was 18.36 per cent. I just put that out there in light of what the member told me. That is one that has nothing to do with amalgamations and nothing to do with the reform, and the rate rise was 18.36 per cent.

Mr M.P. Murray: I did take my shire on about a 6.8 per cent increase. I feel a bit guilty now.

Mr G.M. CASTRILLI: I will leave that to the member for Collie–Preston. I think I said to the member privately one time that, in my mind, the Shire of Collie is a pretty good shire.

Ten local governments are involved in regional transition groups and are moving towards amalgamation. Through this process, those local governments have learned a great deal about their actual financial position and what their current and future challenges are, and it has been quite an eye-opener for a lot of them. Twenty-three remote local governments have formed regional collaborative groups. Regional priorities have been identified

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and are now being implemented. Twenty-four of the councils out there want to participate in the reform process but are being blocked by reluctant neighbours—that is both regional local governments and metropolitan local governments.

The actual investment on the structural reform component from February 2009, when I first announced it, to 30 June 2012 is about \$8 million. About \$1 million has been expended on the reform submissions. About \$4.8 million has been released to local governments for amalgamation costs. Collaborative groups have received \$1.2 million, plus extra money, to implement the plans that they have put together. Regional transition groups have received nearly \$1 million to assist with preparing their regional business plans.

However, I have to say that the reform process is not about just amalgamations; it is about increasing the capacity and the capability of the local governments in Western Australia so that they are able to deliver more appropriate services to their communities in the long term. Capacity building has been a key initiative in this whole reform process. Since 2009, 70 local governments have received financial and other resource assistance from this government to prepare strategic plans and asset management plans. Sixty-three local governments have received assistance to prepare long-term financial plans. Since 2009, the investment to date on capacity building totals \$8.2 million. For strategic planning, \$2.3 million has been released to local governments, and 70 of those local governments have received that assistance. For asset management, about \$3.6 million has been released to local governments, and 70 of those have received that assistance. Sixty-three local governments have received assistance to the tune of \$1.7 million for long-term financial planning. There has been some project development and management, and just under \$400 000 has been spent to date.

I refer also to integrated planning and reporting. We have jointly funded master classes for local government officers right across this state to assist them to understand and to get in tune with what is going on. More than 400 officers have received training in conjunction with the Western Australian Local Government Association.

Workforce planning is one of the big issues for local government. We all recognise and understand that. Workforce planning issues concern not only local government, but also other areas. I will launch a workforce planning toolkit on 20 August 2012 to assist local governments in this very important area for the retention and recruitment of staff to the sector. That is one of the top priorities for local government, which we are assisting it with.

Mr J.N. Hyde: How's that going to stop the brain drain we have?

Mr G.M. CASTRILLI: It is a hell of a lot more than the previous government ever did.

I turn to elected member volunteer reductions. There are 45 fewer councillor positions than was the case prior to October 2011, yet our local governments still cannot get an adequate number of nominations during council elections. There are 102 local governments that have elected member numbers in the range of six to nine, which is what I have advocated for all along.

The other thing I have done for local governments is reduce the compliance reporting red tape by close to 80 per cent. I have mandated a 10-year strategic community plan with community input and review. The hopes and the aspirations of the community are captured. Local governments will go out there and listen to the community's hopes and aspirations. The initial evaluation of the project measured the impact of this initiative to date. Seventy-three per cent of local governments were confident that by the end of the implementation, integrated planning will have increased their council's capacity to provide financially sustainable services. Sixty-three per cent reported that they are managing their assets better than they were previously.

In partnership with the federal government, this government has invested \$2.2 million to assist 22 remote local governments prepare costings on providing municipal services to remote Indigenous communities. What is more, I have initiated a local government structural and governance review of the Perth metropolitan area. The Metropolitan Local Government Review Panel received approximately 450 submissions. It conducted public forums and met with key stakeholders, including local governments. It prepared 40 background information papers, which are posted on its website. That website has received close to 10 000 unique visits. I am currently considering the final report, which was handed to me in late June. The panel released its findings report for public comment as part of the review. The panel made 23 findings in the draft findings report. Essentially, the panel has reached the clear conclusion that significant change is needed in Perth's local government arrangements. The panel found that the current arrangements and significantly fragmented structures create a high level of duplication, inconsistencies and difficulties for business, lost opportunities for their communities, confusion for the consumers and planning that is complicated and uncoordinated and not strategic.

Mr J.N. Hyde: Why won't you release the report?

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Mr G.M. CASTRILLI: I am talking about the draft findings. The panel has found that some local governments are performing well but the model as a whole is unsustainable. The panel envisages that the outcome of the review will be for a —

Mr P. Papalia: How do we know you're telling the truth? Table it.

Mr G.M. CASTRILLI: Here is somebody either imputing that I am not telling the truth—I am a liar—or that the panel members are liars.

The panel envisages that the outcome of the review will be a stronger, more effective, more capable local government with an enhanced role and greater authority.

Mr J.N. Hyde interjected.

The ACTING SPEAKER (Mr P.B. Watson): Member for Perth, you will have the opportunity to speak on this. I do not know whether you already have. The minister is on his feet at the moment and he is the only person I want to hear.

Mr G.M. CASTRILLI: The local government sector is making progress in improving its capabilities, but there is more to do. Since 1910, when the population of Perth was just over 73 000 people, WA has reduced the number of local governments by three per cent. The next closest is Tasmania, which reduced the number of local governments in that state by 47 per cent.

The ACTING SPEAKER: Minister, you said before that you wanted protection and you would speak through the Chair. Now you are speaking to over there.

Mr G.M. CASTRILLI: Sorry; I was talking to my colleagues. Thank you, Mr Acting Speaker.

All the other states have reduced the number of local governments by more than 50 per cent. I can tell members that Tasmania, Victoria and New South Wales are looking at further reform.

Mr M.P. Murray: What is the percentage increase of the population in WA since 1910?

Mr G.M. CASTRILLI: From 73 000 people in 1910, we can work out what it is.

Importantly, 30 local governments in Western Australia have suffered declining populations for the past two census periods. I suspect that that will continue. I do not know about members on the other side, but I do not particularly like to see the populations of communities declining. As populations decline, communities age and businesses and services relocate to more sustainable regional centres, which compounds the problem even further. I can see the member for Collie–Preston understands and agrees with this.

The local government rate increases in 2010–11 in the Perth metropolitan area averaged around 6.29 per cent, with the biggest increase being 10 per cent. In non-metropolitan areas, the average increase was about 5.08 per cent, and, as I have said to the member for Collie–Preston, the biggest increase was 18.36 per cent. Those increases are not sustainable. I think I have made that point.

Public apathy towards local government is increasing. In the 2011 local government elections, 42 local governments had no elections. The voter turnout was 30.3 per cent, which was the lowest in many years. Eleven vacancies remained unfilled at the close of nominations. This government continues to encourage regional approaches to regional challenges and opportunities. We encourage that all the time, and we continue to do it on a voluntary basis. By any measure whatsoever, this government has achieved more in local government reform than any other government —

Mr J.N. Hyde: A 15 per cent rate rise in Geraldton!

Mr G.M. CASTRILLI: — and I believe that members opposite would agree with me. In fact I suspect that, very quietly, they are all saying to me, “For God’s sake, minister, go out and do something, because it will save us doing it when we come to government.”

Mr J.N. Hyde: Verballing.

Mr G.M. CASTRILLI: That is what I think.

Mr J.N. Hyde: You're verballing us!

Mr G.M. CASTRILLI: The former Labor government knew the state of local government during its term of government, and it ignored the 2006 report in which very serious concerns were raised regarding the state of the sector. Its own report in 2006 warned the previous Labor government of the dire straits local government was in and made a heap of recommendations, yet the previous Labor government ignored it. It was derelict in its duty to local government, and in fact —

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Mr J.N. Hyde: There is no evidence amalgamations are efficient!

Mr G.M. CASTRILLI: — by doing nothing, it actually let the local government situation get worse and worse. The former Labor government should have done something about it.

Mr J.N. Hyde: You've been there four years!

Mr G.M. CASTRILLI: The former Labor government had eight years.

Mr J.N. Hyde: You've been there four years!

Mr G.M. CASTRILLI: The former Labor government had eight years and did absolutely nothing! It had no courage to implement its own report!

Mr J.N. Hyde: So you will implement the metropolitan report?

Mr G.M. CASTRILLI: It had no courage to implement its own report!

I totally reject this motion because, as I said, by any measure this government has done more for local government reform than any other government.

MR D.A. TEMPLEMAN (Mandurah) [4.41 pm]: I would like to make a contribution to this debate, and I do so having served as a member of local government for the City of Mandurah for seven years, including three years as deputy mayor of the city.

I think the big problem the minister created for himself, to be totally honest, was that very early on in his term as minister, when at Rendezvous Observation City Hotel, he was reported in *The West Australian* as having made some comments about the need for a reduction in the number of councils in Western Australia. From that point onwards the minister has, I think, been backtracking and falling over his words. Then the minister had the unfortunate experience of the Premier deciding—as he does very, very often—to embark on policy on the run, comment on the run and thought bubbles on the run, and making a contribution by mentioning the number of local governments he wanted in place by the end of this term of government. Then, of course, over the past four years the government has embarked on a process that has seen many local governments in Western Australia go through a very expensive process, which has ultimately, I think, resulted in many of them simply trying to come up with figures, facts and information to justify their continued existence and defy the minister's message that he wants to see a direct reduction in the number of local governments in Western Australia.

In the minister's presentation this afternoon he highlighted a number of statistics and commented on the number of local governments in 1910 compared with 2012, and the fact that we have seen very little reform in terms of reduction of numbers. That is a reality—it is factual—and the minister highlighted it. In the past four years we have seen a series of reports, the latest being that of the metropolitan local government review panel, which I understand the minister still has not yet released his stance or view on.

If the minister is genuine about wanting to radically reform local government numbers, then he should, quite frankly, have simply done a Jeff Kennett or even a Peter Beattie. I have to tell the minister that although any government of either persuasion may decide there will not be forced amalgamations, only voluntary ones, the reality is that very, very few local governments will do it. That is the reality. Some of them will not do it for what some may see as a selfish reason but I think is a very valid reason—that is, the identity issue. I am probably talking very particularly about the really small councils, but many of them will not want to do it because they will see it as one of the final nails in the coffin of the future of their communities. When we look at some of the councils in the wheatbelt, some in the outer areas of the great southern, some in the south west, and even some in the midwest, we know that many of those communities, particularly those in the wheatbelt, have been struggling to maintain stable populations. The midwest is a little different because we are seeing some more economic activity because of the mining there. Net population growth, if any, is essentially negligible. There is a variety of reasons for that: changes in farming practices; the changing climate; the changing nature of the regional economies of some of those areas; and the fact that some traditions such as sons or daughters wanting to carry on the family name in farming have gone from those places. All those sorts of thing have impacted. I can honestly understand why in some of those small shires particularly there is a strong reluctance to, firstly, be forced to amalgamate, and, secondly, to be asked politely to amalgamate. I am from the country myself—born and bred—and I can understand that absolutely.

If the government is going to make statements about wanting to reduce local government numbers, the reality for this minister, if this government is returned—or any Minister for Local Government in a new government—will be, ultimately, that many of those smaller councils will be the logical target given the very nature of the statistics the minister presented to the Parliament this afternoon. The minister cannot have it both ways; he cannot go out there and say, "We want to have fewer than 100, 90, 80, even 50 local governments in Western Australia by a

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certain time”, and then require local governments to go to great expense, or indeed, require the government to spend a huge amount of money, if, ultimately, the government is not going to be dinkum about the outcome it wants. The reality is that the outcome is going to hurt people, and some more than others.

In 2008–09, using my imprest account, I went to look at the result of the amalgamations in Queensland, particularly on the Sunshine Coast. Prior to the Beattie decision on regional councils, which from memory was made in around 2008–09, there were, I think, seven councils on the Sunshine Coast—there may have been a few more. The northernmost was Noosa shire, and then there was Caloundra and Maroochydore. Inland were some of the small hinterland councils, around the town of Maleny and those places.

The interesting thing I found from a tourism perspective was that prior to the amalgamation of councils to regional councils on the Sunshine Coast, every shire had its own tourism marketing. The shires of Noosa, Caloundra, Maroochydore and Mooloolaba used to market themselves and compete for the same state money. They used to promote themselves individually, not as entities of the Sunshine Coast, even though they were already branded and known, essentially, as part of the Sunshine Coast. The Beattie regime saw the collapse of all those councils into a regional entity, with one CEO for what was then between five and seven councils. The Mayor of Noosa, interestingly, whom I met on my first visit to Noosa prior to the amalgamation, was the successful mayor for the new regional council entity of the Sunshine Coast. I met with him and talked to him about what had happened. I also talked to a councillor who represented Peregrine Beach, just south of Noosa. As a new councillor elected under the new regime, her salary was \$110 000 a year. She also had an electorate office, which was staffed for about two and a half to three days a week by an electorate officer, a person who assisted her with her duties as councillor. She had an allocation of about \$10 000, from memory, which was known as a media allocation, which included paying for a phone and communication needs et cetera. I think they had three-year terms, from memory, and compulsory voting. It was interesting to talk to her about her experience because she had been a councillor two years into that new regime. She highlighted some advantages, saying that with the increased remuneration as a councillor, it was not a part-time job, as was previously the case for some in terms of income. The income was enough for that person to devote her time totally to her role as an elected official as part of the regional council. She also believed that the advantage of the new regime included her capacity to still represent a ward; that is, a ward within the old Noosa shire. She still had a responsibility to act collectively for the regional council itself. In other words, while she had vested interests in her ward, she also had a broadened responsibility for her region as a regional council.

Interestingly enough, politics did play a big part. One of the things that has always amazed me about conservatives in Western Australia is that they always attack Labor when they think Labor is seen as attempting to politicise local government. To varying degrees, local government has been politicised for a long time. There is no stronger party that has politicised it than the conservative parties themselves. It is true. I have heard people in this place say that the Labor government wants to politicise local government. The fact is that people from both sides of politics sit in this place now, having been through the local government process. Some of those members claimed in their maiden speeches to have certain aspirations in the councils that they might have come from. If they can swear that at no stage did they ever consider their political affiliation in which they were a member, I challenge them that they are not telling the truth. It has been politicised to varying degrees for a long, long time. I do not think that is a problem. It is an advantage. It does not mean that they are better than anybody else. If they have had experience in local government, that is great. I think they bring to this place another spectrum of expertise or experience, which I think is valuable. I do not criticise anybody who comes into this place or even into federal Parliament for having had a background in local government. When I hear members of the Liberal Party in communities—I have heard it many times—attacking individual councillors, leaders or mayors simply because they might not necessarily be of the same political persuasion, for some reason they are more indignant and do not look at themselves or their own situation. I do not want to dwell on that.

The minister has set up a target and he has spent a lot of money and asked local government to go through a lot of angst and a whole lot of effort but he has not told us and local government how it will ultimately achieve that target. As I said at the beginning, there will be no major reform of local government in Western Australia if the minister is saying to them, “Come to the table with me, lay down your chattels and your mayoral chains and your ratepayers’ assets and join with us.” They will not do it. For many of them, as I said at the beginning of my speech, it is admirable because I know why they are doing it. To do that for them would be a major nail in the coffin. If the minister wants to achieve that, I honestly believe he should have done a Kennett or a Beattie. I honestly believe that. That is the only way he is going to achieve it. It is the only way it has been achieved anywhere else in Australia. Major reform has occurred where there has been a major reduction in councils.

I agree with the members on my side who have said that the jury is still out on whether it has worked well. However, I also do not think we would see states such as Victoria and Queensland going back to the old system.

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That is the reality. What Kennett did wrong in his regime was to gut many of the identities of many of the communities of which people were so proud.

[Member's time extended.]

Mr D.A. TEMPLEMAN: We all have to come to that reality. The minister may want to look at my report that I wrote some time ago.

Mr G.M. Castrilli: When?

Mr D.A. TEMPLEMAN: I cannot tell the minister that; I will let him do that research. I will use the Premier's line—"You go and do the research; I won't do it for you." I honestly looked at the Peel. I can tell members two things about the Peel. If we try to do a forced amalgamation, we will have the Shire of Murray up in arms. We will probably have the Shire of Waroona and the Shire of Boddington up in arms too. The Shire of Serpentine–Jarrahdale is an interesting case. If the Shire of Serpentine–Jarrahdale were forced to do this, I think it would probably need to look to the brothers and sisters of the Cities of Gosnells and Armadale as having more of a community of interest. I think that is what that shire would say. If the minister tried to force Peel, he would get exactly what I have said would happen.

Mr J.N. Hyde: Serpentine–Jarrahdale is dead against amalgamation.

Mr D.A. TEMPLEMAN: It is, because it sees amalgamation as a very big threat. The City of Mandurah, to be honest, is a little different. The City of Mandurah is interested in entertaining the idea, but it knows what the answer will be from its brothers and sisters across the Serpentine River and the estuary. It knows what its brothers and sisters think of the idea. Historically, it has been a very interesting relationship over many years, if not over a hundred years. I think some in the Shire of Murray still regret the day they allowed road board status to be granted to the now City of Mandurah in 1954 or whenever it was. The interesting thing about Mandurah and Pinjarra is that Pinjarra was a bigger town than Mandurah nigh on 40 years ago. Mandurah is now 10 times the size of the town of Pinjarra.

Mr J.J.M. Bowler interjected.

Mr D.A. TEMPLEMAN: It is about 80 000.

Mr V.A. Catania interjected.

Mr D.A. TEMPLEMAN: It is a massive city; it is the biggest regional city outside the metropolitan area. It is bigger than the minister's City of Bunbury.

Several members interjected.

Mr D.A. TEMPLEMAN: Members, do not get me going! I could be here all afternoon.

I suppose, for Mandurah, that is one of the things that was interesting in the metropolitan local government review. Although the City of Mandurah is not in the metropolitan region by definition in law and in the act, it was mentioned, interestingly enough, in the minister's report. In fact, I think it states in the report that there was a sense that the City of Mandurah should be included in the metropolitan region. We would oppose that. I think the member for Dawesville also would oppose that. I think he is coming around to my way of thinking. As I have argued in this place consistently, until Mandurah is put into the metropolitan region by act of law, it is not a metropolitan municipality and it does not see itself as one.

Mr J.M. Francis interjected.

Mr D.A. TEMPLEMAN: We would love the fuel card. Mandurah sees itself very clearly as a regional city in an important region in Western Australia. It is interesting that in that report—to which the minister has not yet released his response—there was comment about the inclusion of the City of Mandurah in the metropolitan configuration. That could not happen without an act of Parliament. However, the city made some recommendations to the minister as part of that review, but I do not know whether the minister was interested in or apprised of those recommendations. I am sure that he was. The City of Mandurah highlighted three options that it saw as possible for the city. The first option was for it to simply stay as it is. If it stays as it is, the population will be between 108 000 and 140 000 by 2026. I do not know why the gap in that estimation is so big. Mandurah will have a population of around 120 000-plus in 2026. The second option for the City of Mandurah is to merge with the Shire of Murray, and the population would be between 140 000 and 170 000 by 2026. Then there is the real radical option of using the identity of the Peel region as it is now constructed and defined and making it one regional council. I am going to go out on a limb. My friends on this side of the chamber might not like it. If the minister were to look at one area where he could achieve some reform, as he wants to do, that option could be open to him. He will get knocked back by four of the five local governments. But in terms of community of interest, impact of growth, population lifestyle and economy, it is an option, and I will tell the

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minister why. It would create a council similar in size to that of the Sunshine Coast Regional Council. I think my friends in the Shire of Murray would be appalled by my comments.

Mr G.M. Castrilli interjected.

Mr D.A. TEMPLEMAN: If the minister were to argue that, there would be only one proviso from me—that the royalties for regions program recognise the Peel region as an entity that makes a significant contribution to the royalties of the state and therefore deserves a far greater slice of that particular program's funding.

Dr K.D. Hames: We would like to get more, but it's not too bad now. You have to remember that the royalties for regions fund gets 25 per cent of the royalties paid. We are the third highest payer, so I reckon we are still \$20 million short, but it is not a lot.

Mr D.A. TEMPLEMAN: I think it is more than that to be honest, because we did not get anything in the first two or three years of the program; in fact, we got less than one per cent of the total money available.

Dr K.D. Hames: There is some there that is part of the joint stuff with Pinjarra and Mandurah. We also got money for the footy club.

Mr D.A. TEMPLEMAN: If the member for Dawesville looks at the figures, he will see that our spend, compared with that in the wheatbelt, which got a huge amount collectively over a period, is astronomical. The member has now diverted me from the line that I was on, which I think the minister was very interested in.

I would argue that the minister would need to do that. Secondly, as per the Perth–Peel 2031 planning document, the Peel region is a significant target for absorbing the projected population growth of the state. Peel is still seen as part of the Perth–Peel 2031 planning document, which refers to where the extra million people will need to be accommodated over the next 10 to 15 years. Peel significantly features in that. To do that and to entertain the regional council model that the City of Mandurah has put forward as its third option, the minister would have to significantly tie to any decision about that a genuine commitment to a major funding increase. Why do I say that I think it can be done in Peel? Peel is not like a lot of those smaller places in terms of population stagnation and land use challenges. There are land use challenges for the Peel, but there are areas of land that obviously are still available for significant urban development. The economy is still growing. It is still vulnerable and has a narrow base, but it is still growing. There is opportunity for diversity, and that is not necessarily the case for the shires responsible for Bencubbin and Kukerin or for the Shire of Corrigin, which still have narrow economies on which to base any fight-back in population growth or even stability.

I will leave the minister with those thoughts. Some members in this place will say that I am advocating for amalgamation; I am simply saying that the only way I think we will see any reduction in the numbers that the minister is talking about is by a Kennett or Beattie-style decision. I think that is the reality. Secondly, if the minister were to look at places where he might get some wins, he might need to look closer to home, not necessarily at the traditional targets that are the small entities—the ones in the south west, the ones that the member for Collie–Preston has talked about or the ones in some of the wheatbelt areas, even though they are probably some of the most unsustainable. He may need to look closer to home for some wins, but it will be a battle no matter who is the minister. Unless the minister says, “We're going to do this, this is how we're going to do it, this is the number we're going to arrive at and it has to be done by a certain time”, it will not be achievable to the extent that I think the minister is hoping .

MR F.A. ALBAN (Swan Hills) [5.09 pm]: I rise to oppose this motion. The genesis of this debate goes back to the local government review in 2006 commissioned by the then Labor government. On that review panel were some fairly eminent local government people. I would first like to mention the late Charlie Gregorini, a long-time mayor of the City of Swan who had almost 30 years of service. I also want to mention Eric Lumsden, who I hope is still a director of the Western Australian Planning Commission.

I will limit my field of expertise to my electorate and the two municipalities therein—that is, the City of Swan and the Shire of Mundaring. Proportionally, my electorate covers the largest area of those two shires. I need to declare an interest: I spent over five years as a councillor at the City of Swan. My knowledge of the City of Swan is perhaps more intimate than that of the Shire of Mundaring. I think the saying is, “One is chalk and one is cheese.” There is a clear point where amalgamation or reconfiguration of the shires would benefit both parties. The statistics are that there are some 38 000 ratepayers within the Shire of Mundaring and over 110 000 ratepayers in the City of Swan. Either way, the Shire of Mundaring is a third the size of the city of Swan, or the City of Swan is three times the size of the Shire of Mundaring. There are considerable differences within those two shires that, in my opinion, clearly points towards an amalgamation. Certainly for the survival of the Shire of Mundaring, an amalgamation or an arrangement with other municipalities is necessary. Some sort of aggregation would certainly benefit the ratepayers of the Shire of Mundaring.

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I make the point that at the moment the Shire of Mundaring is trying to demolish or dispose of its community halls. The Shire of Mundaring has Chidlow Hall, Mahogany Creek Hall and Glen Forrest Hall. The heart and soul of a country community, as country members would understand, is their community halls. There is probably 100 years of history; that is, 100 years that have seen the welcoming of soldiers returned from war, the farewelling of departing soldiers, weddings, birthdays and all that sort of stuff. To demolish a community hall shows a level of desperation. By contrast, the City of Swan is well recognised within local government. It is a great advocate of history, despite the condition of the Guildford Hotel, which was out of its control.

Right through the Shire of Mundaring, the lack of resources is always cited as the reason for doing some fairly basic, not necessarily positive, things. That is a big contrast. Something that will benefit ratepayers of connecting electorates is the lack of duplication. At this stage, the Shire of Mundaring is looking to build a brand-new library in Boya. Boya of course is only a stone's throw from Midland. Even though it is within the electorate of Mundaring, it is almost walking distance to Midland. Lo and behold, the City of Swan has one of the most elaborate libraries in Midland. The building of a second library so close does not make sense. Libraries, which are a treasure and a passion of country people, are to a degree a thing of the past with modern-day technology. Duplication is one of the reasons that I suspect the amalgamation or joining of several shires would be beneficial.

Another typical argument mentions sports facilities. On one hand there is the City of Swan, which has a huge capacity with a staff of 600 or 800 people, and on the other is the limited capacity of the Shire of Mundaring. A typical example is that the City of Swan was able to build a new sports facility in Gidgegannup for its football team that cost well over \$2 million. By contrast, for perhaps 20 years the Mt Helena Football Club in Mundaring chased the Shire of Mundaring for some help. The Mt Helena Football Club needed only \$150 000 to upgrade its sports facility. The sports facility was not only for the football club—all other types of sports use the facility as well. I am proud to say that the current Liberal government managed to find \$150 000 in its recent budget to help this football club. But that is not the moral of the story; the moral of the story is that the Shire of Mundaring, through lack of capacity, could well have applied for a grant through the Department of Sport and Recreation, but of course it was limited because it was probably expected to match dollar for dollar. That is where the size of the municipality is limiting the ratepayers of Mundaring. For those who are not from country communities, I would like to explain just how important the sports facilities and hall facilities are for small, isolated communities such as the hills communities. It is very important to retain our youth in the hills so that they do not wander into the city and become lost to drugs and all the modern things that they undertake.

Further, other sporting facilities are seriously lacking in the Shire of Mundaring. I was recently contacted by representatives from Parkerville Equestrian Centre, which has been operating since 1974 virtually without a cent from the Shire of Mundaring. To highlight another limitation, their lease had run out in 2009 and they were considerably concerned about it. Through lack of staff facilities, the Shire of Mundaring had not presented them with an updated lease. It seems minor, but that definitely shows the scale of their lack of resources. Parkerville Equestrian Centre is home to four pony clubs.

There are also basketball facilities in the Shire of Mundaring. The basketball courts are home to basketball, baseball and hockey as well. Some time ago, the Shire of Mundaring was given a substantial grant. Some say it was \$800 000—I have heard amounts of up to \$1 million. Of course all the local sportsmen were very excited. The Shire of Mundaring needed to use those funds elsewhere, so those facilities still do not have a roof or adequate toilets. Members can imagine the weather and the rainfall that occurs in the hills and just how unusable the basketball facility is during the winter rains.

Mr J.N. Hyde: Member, may I just interrupt you?

Mr F.A. ALBAN: Yes—as long as you are very polite, member for Perth.

Mr J.N. Hyde: I will be polite. You are making very strong points about the lack of resources in smaller councils, but how is amalgamation going to provide the solution in councils other than, say, the member's own City of Swan without a massive rate increase in a new body?

Mr F.A. ALBAN: That is a very good question, member. Obviously we are guessing to an extent, but I feel that a shire that has developable areas—in other words, West Swan and Ellenbrook, where development is the right thing to do—and the capacity to earn revenue, such as in the soon to be developed Malaga and North Ellenbrook business precincts, that shire has the capacity and the resources to spend money in a hills electorate, which predominantly has environmental concerns. Development is not welcome there. As members can imagine, in the past one could buy a four-hectare property. There would be a building envelope and the trees would be removed—which is the last thing we need in the hills. The amount of development in the hills is limited to a size. It would be stupid to try to find areas that could be developed down to 300 square metres. The Shire of Mundaring is limited. If I sound negative, it is not of the shire's making; it is just the environment it is in and the shire it is in.

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The City of Swan has not only the financial capacity but also the staff capacity. It is very good at following grants. In the past couple of years, the City of Swan has obtained at least four grants worth over \$4 million for its facilities. Often, when I mention these figures in the Shire of Mundaring, people get upset: of 53 projects, 50 were in the City of Swan and only three were in the Shire of Mundaring. I was able to help in both municipalities.

Mr J.N. Hyde: It goes to the crux of the whole royalties for regions debate, because the people in Mundaring will want to retain the local hall with its heritage attachment, the little local libraries and so on, whereas under the regional funding money and accessing the federal regional money—it is done with a group of regional councils—it goes to the regional hub. On an economic basis, Swan would want the bigger library and the headquarters of the sporting group to be in a more central place, and people in outlying areas would be sharing it.

Mr F.A. ALBAN: There is a library in Mundaring as well, but the member has highlighted another concern in my electorate, particularly in the hills: it is neither in the country—in the royalties for regions area—nor in metropolitan suburbia. It is in a twilight zone; it is neither one nor the other. When it suits everyone, it is country; when it suits everyone, it is city. There is an anomaly there. The member for Mandurah made a big point: we do not get the fuel card, which is appropriate to my constituents in the hills, because it is a metropolitan electorate and not a country electorate.

Mr J.N. Hyde: Serpentine–Jarrahdale is metro, and they do there.

Mr F.A. ALBAN: Same again. I know that that concern is there as well. Obviously, that is something that I do not think is fair. I have raised that. It is a tricky one. I believe that the ratepayers of Mundaring will be better off, both financially and environmentally, having a partner that is better resourced and has better developable areas so it is not threatening the hills. I see that as probably its best option. There are huge developable areas in the City of Swan, through West Swan, Bullsbrook, Gidgegannup and north of Ellenbrook. That would take the pressure off developing the hills. Members can imagine that after the fires in Kelmscott and Red Hill, no-one would be silly enough to allow wholesale development in the hills. There are benefits. In my electorate, I certainly see positives of the two, perhaps three—perhaps even Kalamunda—amalgamating. There is also talk about the whole of the Eastern Metropolitan Regional Council being a local government area.

Mr J.N. Hyde: Certainly in the draft report, it was the city of greater Belmont, because of Belmont's greater commercial rates.

Mr F.A. ALBAN: This may sound as though I am betraying my country principles, but my concern is for the hills area. I come from a small community. Sometimes we have to look outside the box for survival, including the survival of services. The last thing I want to see is historic halls being demolished or disposed of. It is a real concern that the shire is going down that path and does not seem to have the capacity to understand how important they are to their communities. Once historic buildings are gone, as the member knows, they never come back. The shire's argument is that it is going to cost it money. I think there is a responsibility on municipalities to maintain historic areas despite them saying they are not used enough. I understand the argument in Chidlow was that it was costing \$1 800 a year. Over such a small cost of \$1 800, they are prepared to demolish the Chidlow hall, which has over 100 years of history. That is all the history that is left in Chidlow. It used to be a fairly substantial town, with a railway line and station going through it, and that is all that is left. It shows the desperation—perhaps more than desperation; a lack of understanding—by the municipality that other options are available.

I was going to make a few other points. I have forgotten where I was, but thanks for the questions—they were very good ones.

[Interruption.]

The DEPUTY SPEAKER: Member for Maylands!

Ms L.L. Baker: It is not my phone.

The DEPUTY SPEAKER: Thank you for helping us out, member for Maylands.

Mr F.A. ALBAN: Size does matter. Without going through all the statistics that the Minister for Local Government did, I believe there are areas where amalgamations or different configurations would be of benefit. I think it is well and truly called for in my electorate.

I am also concerned about the lack of capacity at the Shire of Mundaring, and it is not really its fault. I think it has caused a breakdown in the relationship between its ratepayers and management. I have often heard some fairly denigrating remarks about the Shire of Mundaring, whereas the City of Swan gets nothing but praise. Already, there is unnecessary conflict within the ranks.

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The reconfiguration of two or more municipalities would limit the duplication of facilities and services, with better accountability and better service delivery to ratepayers. I suspect it will mean, certainly in my district, lower rates to those municipalities and their ratepayers. The beneficiaries of a reconfiguration or amalgamation as a result of a better business model will certainly be the ratepayers of that district.

MR V.A. CATANIA (North West) [5.26 pm]: I wish to again put the National Party position on record on what it believes when it comes to local governments. It is quite clear that the National Party, including members of Parliament and its lay membership, do not support forced amalgamations. I want to make that quite clear: the National Party do not support forced amalgamations for various reasons, which I will go into in a minute. Everyone here knows my history and how I left the Labor Party, but it is interesting that before I left the Labor Party and this debate came on when the Minister for Local Government raised the subject back in February 2009, the internal debate of the Labor Party involved a lot of its members wanting to support forced amalgamations. It would be great to see some of those members who were advocating for forced amalgamations because it was a good thing —

Ms M.M. Quirk interjected.

Mr V.A. CATANIA: That may be the case.

A lot of Labor Party members were very supportive of forced amalgamations and wanted to support the Liberal Party in its quest to look at ways to reform local government. It is quite convenient for the member for Perth to move a motion to rule out forced amalgamations, but I want to know exactly what the Labor Party thinks on this occasion. Does the Labor Party support forced amalgamations knowing that half its members, if not more, support forced amalgamations? If the Liberal Party's intention is to go down the path of local government reform, whether it be through forced amalgamations, will the Labor Party support any legislative move? I can tell members that the National Party will not support forced amalgamations and I will provide the reasons.

In the Mining and Pastoral Region, particularly in the seat of North West, which I represent, 11 local governments are spread around nearly a million square kilometres. There would be no economic benefit for any amalgamation to take place in such a sparse electorate as North West. There are distances of 100 to 500 kilometres between towns. There is no rhyme or reason why we would look at forced amalgamations. When it comes to local government reform, the National Party has participated through the country local government fund and through trying to make sure local governments have the ability to grow their communities. To date, previous Labor and Liberal governments, and even the National Party when it was in a coalition government, have neglected regional Western Australia. Regional towns have been neglected for 50 years, if not more. The National Party is the only party that has provided the support, through the country local government fund, that local governments and towns needed. That is just one fund, and it has delivered more than \$300 million to regional communities through the local shires. The local shires have been involved in local decision making to determine what their communities need. The funding of more than \$300 million does not include the Gascoyne revitalisation fund, Pilbara Cities, projects happening with the Kimberley Ord expansion or the midwest investment fund. Members can see how much money is being injected in regional Western Australia. We want to make sure that local governments have the capacity, which they did not have before because of the neglect of previous governments, to make their own decisions. A lot of cost-shifting has occurred between the federal, state and local governments but finally we are seeing money going back into the communities. Some communities may receive only \$750 000 through the country local government fund, but they can deliver projects that they would only have dreamt about delivering three or four years ago. They can now deliver much-needed services, whether it be housing to attract and retain staff, water parks, fixing sporting precincts, museums, caravan parks or whatever it takes to attract people to their town through tourism or employment opportunities. That is what the country local government fund has done.

I do not think there has ever been a political party that has been so committed to not only local governments, but also the regions, and that can be delivered only through royalties for regions. I do not understand what members opposite are saying. Do they want to keep royalties for regions, change it or use the money for roads? What I hear from the Labor Party is that it does not know how to handle regional WA. It does not believe that local governments and local towns are able to make decisions for themselves to deliver the outcomes the communities want. The Leader of the Opposition is like *Where's Wally* in all the media reports in which he makes a lot of claims. Some of the headlines include "Report proves pork barrelling: Labor", with a picture of the Leader of the Opposition, and "Row over royalties cash" and "Pork barrelling favours National Party: Labor".

Mr J.N. Hyde: This bill is about amalgamations. I appreciate your comments and the position you have put about no forced amalgamations under the Nationals. Are you supporting this motion tonight?

Mr V.A. CATANIA: The member is having a go—it was interesting listening to members' speeches—about whether or not local government has the capacity to make decisions about investing locally. The Labor Party is

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sending mixed messages. The member for Mandurah was spot-on when he gave the Minister for Local Government an opportunity to go to Mandurah and look at the possibility of having a bigger Peel local government. Does the Labor Party support the amalgamation of local governments?

Mr J.N. Hyde: No, not forced amalgamations.

Mr V.A. CATANIA: Does the Labor Party believe that local governments have been let down by not having sufficient funds to look after their communities until now? The Leader of the Opposition and many members opposite have challenged whether or not local governments are capable of making local decisions to invest in their towns through royalties for regions and the country local government fund.

Mr J.N. Hyde: If you support royalties for regions, you have to support this motion because it is about empowerment.

Mr V.A. CATANIA: I disagree with this motion, which states in part —

That this house calls on the Barnett government —

(1) to provide advice as to the cost of its flawed and failed amalgamation process to date ...

I do not think anyone could accept that inference after looking at the reform that is taking place and at the part the country local government fund has played in ensuring that local governments have the ability to make strategic plans to diligently spend the money they get from royalties for regions and making sure that government structures are in place in order to spend the money. I have said that before and the member for Perth was at Local Government Week when we restated the National Party's position that we do not support forced amalgamations. We do not need motions like this one to stop forced amalgamations; we do it by making sure that every seat in regional Western Australia knows that we are the only party that supports regional Western Australia and local government. Like I said, prior to leaving the Labor Party, three-quarters of the members of the Labor Party were in favour of forced amalgamations.

Mr A.P. O'Gorman: Just tell the truth. You're a rat!

Withdrawal of Remark

Mr J.M. FRANCIS: The member for Joondalup clearly used unparliamentary language to describe the member for North West and I ask you, Mr Deputy Speaker, to ask him to withdraw it.

The DEPUTY SPEAKER: I never heard any unparliamentary language.

Debate Resumed

Mr V.A. CATANIA: Most members cannot stand the member for Joondalup anyway, so do not worry about it.

The National Party is making it quite clear that it is the only party that can look after local governments and ensure that regional WA has the resources it needs to provide for the community through the country local government fund, delivered by royalties for regions. As I said, that is one element. Over \$300 million has gone into local government, which has never seen that amount of funding before. The recent report that had a crack at royalties for regions and said that it should not exist was interesting. That was nice kindling for last night's fire because it was such a flawed report. Anyone listening to regional radio on Monday afternoon would have heard nearly every local government in regional WA say that royalties for regions is the best thing that has ever happened because it ensures that we can deliver projects to our community because of local decision making. All members opposite can do is criticise the projects that the local shires and communities have chosen themselves.

The Labor Party just criticises and says that too much money is going to regional Western Australia or that it is going only to National Party electorates. Members know how much is going on in the north of the state in the Pilbara, the Kimberley, the north west, goldfields and midwest. It is not just a case of picking one town; every single town in regional Western Australia is benefitting. Shame on members opposite who think it is a crime to put money back into regional Western Australia. If they want to call putting money into National Party electorates pork-barrelling, I say bring it on because we need it in our communities. We need more investment. Royalties for regions is righting the wrongs of 50 years of neglect by the major parties that have not supported local governments. The National Party, yet again, does not support forced local government amalgamations. We support a reform process that empowers local governments to make those decisions themselves. The National Party is providing money to local governments through the country local government fund to deliver the much-needed outcomes that all major parties prior to 2008 have failed to deliver to regional Western Australia.

MR J.M. FRANCIS (Jandakot — Parliamentary Secretary) [5.39 pm]: I follow on from the member for North West. Having been to some parts of regional Western Australia, in fact to Carnarvon in the member for

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North West's electorate about six weeks ago, I have seen the practical results of the investment of royalties for regions funding in regional Western Australia. As a Liberal member of the Liberal–National government, I express my support for royalties for regions. Some of the points the member for North West made are spot-on. Regional Western Australia has been neglected, and what is good for regional Western Australia is good for metropolitan Perth. As a metropolitan Liberal member of Parliament, I am proud to be part of a government that is delivering royalties for regions for everyone, regardless of the electorate they come from and how they vote.

However, I want to touch on the motion before the house on amalgamations. I am still a bit lost as to what the position of the Labor Party is on amalgamations. The member for Mandurah made the observation that the government could not willingly bring councils to the table; it would have to force them. However, the Labor Party still stands opposed to forced amalgamations. Whether they be forced or voluntary, I still do not know whether the Labor Party does or does not support amalgamations of any type. It is interesting to note that, because I want to place on the record that I support amalgamations of local governments, and I will go through some of the reasons why. I did some research on this a while ago, expecting the matter to come up for debate.

As members would know, there are 138 local government authorities in Western Australia. The landmass of Western Australia is just over 2.5 million square kilometres. Of those 138 local councils in Western Australia, 85 serve a population of fewer than 2 000 people. That is an astonishing figure. Of those 138 councils, more than 50 have representation ratios of one councillor to fewer than 100 electors, and this ratio has fallen to as low as one to 20 in the past in some councils. The largest council by area in the entire Commonwealth of Australia is in fact the Shire of East Pilbara, which has a population of 7 000 people and covers 379 000 square kilometres. In metropolitan Perth—I hope the Premier will forgive me for raising this one—Peppermint Grove has a population within its shire of 1 652 people, of whom 1 016 are electors. The shire's boundary is 1.5 square kilometres of land, and the length of sealed roads is only 10.6 kilometres.

Mr J.N. Hyde: But the Premier says they're safe.

Mr J.M. FRANCIS: I find some of these figures quite amazing. When we look at the size of Peppermint Grove in comparison with the size of East Pilbara —

Mr J.N. Hyde interjected.

Mr J.M. FRANCIS: I am just enlightening the member for Perth with some facts. Peppermint Grove has seven elected members, with 13 full-time council staff. Thus, the representation ratio in the shire is one for every 145 people, while there is one full-time staff member who can service 78 ratepayers. Established in 1895, Peppermint Grove has the unique status of being Western Australia's smallest council municipality.

Interestingly, the Western Australian Labor Party is at odds with its federal colleagues on this issue, as it is on so many other issues. I know that Hon Gary Gray believes that councils should be forced to improve their sustainability. The Western Australian Local Government Association opposes the reform motion, but I would have to argue the reasons why, and clearly, as Paul Keating would have said, "Sometimes you've got to back self-interest."

Mr I.C. Blayney: "Always back self-interest because that's the one that's always trying."

Mr J.M. FRANCIS: Always back self-interest. We have to ask why some local councillors are opposed to amalgamations, because no elected politician seems to be too keen to make their own job obsolete.

The Chamber of Commerce and Industry of Western Australia supports the government's plan, saying it would improve accountability and delivery of services. The Property Council of Australia's executive director, Joe Lenzo—I think he still is the executive director—said that reforms are urgently needed to overcome two main problems. Unsustainable and generally smaller local governments are not able to deal efficiently with modern-day planning and development issues, and this is causing delays and higher costs.

All the way back in 2009, the editorial in *The West Australian* of 9 February stated —

Reform of local government is long overdue with general agreement that many councils are not working as well as they should. ...

... it is gratifying that the Barnett Government plans to tackle the issue with a package of reforms, including the amalgamation of small and inefficient councils.

...

Merging smaller councils, saving the waste involved in the duplication of resources, would in many cases be in everybody's interests.

...

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There is a good case for amalgamations. Local government has become slow and inefficient, attracting criticism from ratepayers and too often displaying the kind of mismanagement which ends up in a public inquiry. Entire councils have been dismissed amid claims of corruption and incompetence.

Mr J.N. Hyde: What are your views, though, member, personally?

Mr J.M. FRANCIS: Absolutely. I could have almost written that editorial myself.

The Urban Development Institute of Australia said that delays in the approvals process were a major contributor to the housing affordability crisis and believed that council amalgamations would consolidate resources and create a more strategic approach to development. A number of local governments are struggling to meet the demands of increasing residential development activity in their area. While I am on that, I will touch on the issue of building certificates of design compliance, which has been raised in Parliament, I think, by an opposition question. It is something that the government is obviously working as quickly as possible to address. Some of the builders I have spoken to about this are saying that the issue is not actually the legislation; it is some over-zealous councils. With some councils, they do not have any problems whatsoever. The top of the praise list, believe it or not, was Rockingham council, which was very fast in dealing with building applications, whether they were CDCs privately obtained or whether they were obtained through the council approval process. At the bottom of the list, the worst council in Western Australia for dealing with CDCs was the council in my electorate, Cockburn. A number of people who work in the department charged with the approval process seem to be duplicating, I guess, the development approval process and the building approval process, to the point that they are really dragging it out. Some builders have said that some councils are great and some are not. Either way, the government is obviously working towards resolving that problem and making it clearer for all councils to stick to a particular mission and time line.

Interestingly enough, the general function of a local government, I believe, is to provide good government for persons in a particular district as far as it is charged to do so under the Local Government Act. To determine their long-term viability, guidelines have obviously been established by the government to assist local governments in reaching a particular conclusion as to their own future and fate to some degree. The list of 10 points is: long-term strategic planning; detailed asset and infrastructure management planning; future financial viability and planning; equitable governance and community representation; proficient organisational capacity; effective political and community advocacy for service delivery; understanding of, and planning for, demographic change; effective management of natural resources; optimal community of interest; and optimal service delivery to a community.

Having said all that, when we look at what has happened in other states, I guess the key example that people look at when they look at amalgamations is Queensland. In May 2007, Queensland Premier Peter Beattie established a bipartisan, independent Local Government Reform Commission to recommend the most appropriate future structure for and boundary changes to local government in Queensland. Every local government was reviewed, except Brisbane, which already had the largest population of any local council district in Australia. Obviously, the Brisbane City Council is something that I like to use as an example when I argue the benefits of economies of scale in local government. This commission was established to effect change following the failed delivery of reform by the Local Government Association of Queensland, with its own findings. The commission found that 40 per cent of Queensland councils were in a weak or distressed financial position. I am not sure what that number would reflect in Western Australia, but I am sure that without the country local government fund, more than 40 per cent of those 138 local governments in Western Australia would be absolutely struggling to reach financial sustainability, and they would be absolutely struggling to deliver the basic infrastructure and resources that the regions so desperately require.

In July 2007, the commission in Queensland handed down its recommendations, which included reducing Queensland's 156 councils to 72 councils. This would see a decrease of 724 council representatives in Queensland alone. I make that point because I want to highlight where I think local government should be in the future. These measures came into effect in March 2008, which coincided with the local government elections throughout the state. The commission reported its findings three months later. This government's committee has double that time to do similar work. Without a doubt, the one thing nobody can dispute is that the amalgamations in Queensland put downward pressure on people's rates. I want everyone to know that I stand for achieving better value for money for the ratepayers of Western Australia.

Mr J.N. Hyde: But it has not happened in Geraldton. The one amalgamation you have achieved—15 per cent rise in rates!

Mr I.C. Blayney: Twenty-eight.

Mr J.N. Hyde: It was 28 per cent; thank you!

Extract from Hansard

[ASSEMBLY — Wednesday, 15 August 2012]

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Mr Mick Murray; Mr John Castrilli; Mr David Templeman; Mr Frank Alban; Mr Vincent Catania; Mr Joe Francis; Mr Ben Wyatt; Mr Peter Abetz

Mr J.M. FRANCIS: I want everyone to know that I stand for achieving better value for money for ratepayers in Western Australia. Better economies of scale will provide better value for money for families in this state. Fewer councils means fewer CEOs. Some of those CEOs are on more money than the Premier of Western Australia. Fewer councils means fewer public relations departments, fewer local government spin doctors, fewer logos, fewer councillors requiring fewer laptops with fewer mobile phones, fewer cars and much less red tape. I saw the member for Forrestfield walk in and, without breaching committee privilege, some of the absolute rubbish from local governments that has gone through the Joint Standing Committee on Delegated Legislation in the last four years has been mind-blowing. It has been a pleasure to be on that committee with the member for Forrestfield. The member knows exactly what I am talking about.

Mr J.N. Hyde: Member, you would support the one-council option that is in the draft report by that rationale.

Mr J.M. FRANCIS: No, there is more than one council in Queensland.

Mr J.N. Hyde: It would mean only one logo, if you think the logos are so expensive.

Mr J.M. FRANCIS: There are graphic designers and printing. There are potential economies of scale across the whole gamut of local government service delivery. Members opposite know that fewer local councils means fewer CEOs and fewer bureaucrats and fewer regulations that the 138 local governments have to put up to the government for approval, as they do almost daily.

Mr J.N. Hyde: Yes, but we are trying to find out the Liberal policy. Is it one council? Is it five? Is it 16?

Mr J.M. FRANCIS: I will tell the member that I find it absolutely amazing that the Labor Party, which pretends to take a stand on cost-of-living pressures for the families of Western Australia, is so opposed to local government reform that would put downward pressure on —

Mr J.N. Hyde: But it doesn't. The Queensland evidence, member, is that it has not brought cost-of-living decreases. I've been corrected; it was not a 15 per cent rise in the City of Greater Geraldton. It was a 28 per cent rise. That is the empirical evidence.

Mr J.M. FRANCIS: I am not saying that the rates would go down; I am saying it would put downward pressure on rates. I have been very clear about what I am saying.

Mr J.N. Hyde: But it didn't in Greater Geraldton.

Mr J.M. FRANCIS: What happened in other areas and some areas of Queensland is that other influences put greater upward pressure on rates. Therefore, rates still increased even though amalgamations put downward pressure on rates. I am not saying that if we amalgamate, rates will go down. I made the point almost a year ago in this house in a 90-second member's statement. I talked about my concerns about the role expansion of local government. I said —

I want to place on record my concern about the growing trend of local governments expanding their role beyond what the community expects their core role to be. Much of this expansion is nothing more than a waste of ratepayers' money, or a power grab by local councils that appear to be growing appetites beyond what is expected by ratepayers.

To this day, people still raise this issue with me in my electorate, which covers part of the City of Melville and part of the City of Cockburn. A year ago I said —

I am that told the City of Cockburn recently handed over \$1 000 to a tarot card readers' group—\$1 000 of ratepayers' money.

My rates in Cockburn are about \$1 300 at the moment, so that is almost the rates from just one house to a group of tarot card readers. The council's moral compass is so astray and so misguided that it will not reimburse the volunteer fire brigade at Jandakot, as it told the firefighters it would, for holding a service at eight o'clock on Anzac Day. Yet the council will happily give a thousand bucks to tarot card readers. We have to question the morality of some of the decisions of local governments.

Mr A.J. Waddell: You won't insure your own volunteer firefighters!

Mr J.M. FRANCIS: That is a different issue and we are getting to that.

Mr A.J. Waddell: No, it is the same thing.

Mr J.M. FRANCIS: If the member had listened to my speech in here last week, he would have heard my point on that. I will not take the member's interjections on something that is irrelevant to this motion.

I continued in my 90-second statement —

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Mr Mick Murray; Mr John Castrilli; Mr David Templeman; Mr Frank Alban; Mr Vincent Catania; Mr Joe Francis; Mr Ben Wyatt; Mr Peter Abetz

Last year, the City of Melville wasted more than \$10 000 of ratepayers' money travelling to Europe to collect some award for the world's most liveable cities. I refuse to believe that a single cent was invested or a single person moved to Melville due to this investment. At the same time, the city increased rates by 10.4 per cent and lost \$23 million in consolidated debt obligations —

It was gambling on a foreign mortgage market. This is a year ago, so I am not sure how it is going now, but I was told —

The City of Stirling employs 10 people in its planning department, and eight people in its public relations department. It spends countless thousands of dollars on advertising on metropolitan radio to promote its own local newsletter!

Another regional council was advertising some bizarre job. I made the point —

In all these and hundreds more examples, it is clear that if local governments can waste money like this, they are either spending too little on their core services and infrastructure, or charging too much for rates. It is about time that some these councils pulled their heads in and got back to what their core jobs are—essential services and value for money for the ratepayers.

Yet, as I stand here today, a new round of rates has just been issued. Obviously, people have received their rates notices in the past six weeks. The City of Cockburn managed to jack up ours way beyond CPI. The council messed it up dramatically for the suburb of Banjup and had to reissue rates notices. The City of Melville, interestingly, increased its rates by 5.4 per cent. On its website the council called it a nominal 5.4 per cent increase, which I have to question. On the City of Melville's website it explains its rates rise and states —

Melville moves to weekly recycling

Following City of Melville Council's adoption of the 2012/2013 Budget

...

With rates notices due out from Friday, 20 July 2012, residents can expect to see an increase of 5.2 per cent or an average of \$53.00 in their general rates. This equates to about \$1.00 a week increase for the average residential ratepayer. The overall increase compares favourably with other Councils.

I am sure that makes the ratepayers in Melville feel warm and fuzzy. It is a bit of political namby-pamby spin from the City of Melville to say that it is a nominal rate rise and it compares favourably with that of other councils: "That is okay. We will just put it up further because other councils are doing worse than us." That is a pretty poor justification.

Mr J.E. McGrath interjected.

Mr J.M. FRANCIS: How much is the rate rise down there in South Perth?

Mr J.E. McGrath: Mine was two grand.

Mr J.M. FRANCIS: It was \$2 000. Gee, I could never afford to live in South Perth. The member for South Perth is a lucky man! Some of the comments that the residents of Melville put on the website following the rate rise are quite interesting. Margaret wrote —

5.2% is not a "nominal increase", it is a significant increase and way above cpi. Every year you ask residents to pay more and with gross rental valuation increases thrown in as well the City of Melville is fast becoming a place that nobody can afford to live. With these increases my rates have almost tripled in 12 years. General feeling in the community is that this is the City of Melville recovering what it lost in poor investments.

Rob posted on 3 August —

I refer to the post by Margaret Nicholas 10 July 2012 and the reply by John Christie 11 July 2012.

I think the first post accurately reflects my views and those of many of the ratepayers I speak to. As a long term resident and therefore ratepayer in City of Melville I think the reply was at best flippant and in any case patently incorrect. If any organisation suffers a one-off loss of investment funds, especially of the magnitude of the investment loss sustained by the City of Melville, then this money is either not available for future expenditure, or as has happened in this council and the residents expect a continuation of services and capital works; the loss must be recovered by future revenue —

In other words, rate increases —

I would like the council to explain where else the shortfall ...

[Member's time expired.]

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Mr Mick Murray; Mr John Castrilli; Mr David Templeman; Mr Frank Alban; Mr Vincent Catania; Mr Joe Francis; Mr Ben Wyatt; Mr Peter Abetz

MR B.S. WYATT (Victoria Park) [5.59 pm]: I rise to make a short contribution. I cannot let the comments of the member for North West go unanswered, bearing in mind he wandered way off topic to talk about royalties for regions and the Labor Party's past investment in regional WA. I mention in particular the member for North West's comment about "mixed messages from the Labor Party". I want to reflect on the mixed messages that the member for North West has sent over the past few years. In light of the Loan Bill introduced by the Treasurer today, I went back and read through the debate on the Loan Bill 2009 and stumbled across an interesting contribution the member for North West made on 9 June 2009. The member for North West said —

They voted Labor in my seat, and that is why I am standing here. The north west and the Pilbara voted Labor because we delivered, as a government. The government claims to be delivering for regional Western Australia, yet it is taxing the pastoral industry—an industry that needs assistance from the government.

Other comments appeared on the same page, such as —

The Labor Party can be proud of its investment in the north west, the Gascoyne and the Pilbara.

And again on the same page —

Everyone believes in the principle of royalties for regions, but when we look at what is being delivered —

Referring to the National Party —

the smoke and mirrors, the cost shifting ...

He was highly critical of how the royalties for regions program was being delivered. Then the best comment—perhaps it is the most creative the member for North West has been during his time in Parliament—was when he referred to the National Party and said —

They are the classic *Titanic*. I am disappointed that the Minister for Regional Development is not in the chamber—Leonardo, who stands at the bow of the ship and says, "I'm the king of the world."

I say just one thing: the member for North West was elected, as he pointed out in his speech on the Loan Bill 2009, as a Labor Party member, and he sold very proudly back then—before his intestinal fortitude gave way—the history of Labor's performance in regional Western Australia. That was before he went and moved to the National Party, about which much has been said; I do not intend to reflect too much on that. But if someone comes into this place one day saying one thing about history, and then moves to the other side and says the other, then people will have some doubts about that person. People will have doubts about that person's sincerity, integrity and commitment.

Members can move to the other side and stand by comments they have made in the chamber in the past, but the performance from the member for North West tonight was indeed extraordinary. He said, "Shame on Labor for a lack of commitment to regional WA". I say to the member for North West to turn to his right and look at the member for Kalgoorlie. The member for Kalgoorlie lives in his electorate and breathes his electorate; the member for North West lives in Victoria Park, just down the road from where I live! If indeed he has that commitment to regional WA, he should move his family up there. I have spent more time in regional WA than he has, and I left when I was 12 years old! If the member for North West is going to hold himself out as a credible member of Parliament, he should be consistent in what he stands for. As I said, before he made the decision to move to the National Party, he sang the praises of former Labor governments.

The member for North West can still endorse the comments he has made; he does not simply have to contradict everything he has said and then go and hang out with Leonardo on the *Titanic*, as he so creatively stated. That sort of hypocrisy—particularly demonstrated in the Sunday trading debate—will ultimately, one day, be the undoing of the member for North West. We saw him get to his feet and give an impassioned speech about how we cannot have Sunday trading, and there I was in Victoria Park Centro watching the member for North West wandering around with his trolley chock-a-block full of groceries on a Sunday afternoon! I mean, what is going on?

The ACTING SPEAKER: Member for Victoria Park —

Mr B.S. WYATT: Yes, Madam Acting Speaker, I know where you are going—I may have wandered off topic! I do apologise; I will bring it straight back to the debate at hand, but I wanted to make that point.

The member for North West made his decision on political parties—so be it; he will live with that and his name will ever be associated with that decision—good on him; if he can sleep at night, good on him. But the member for North West should have some consistency, integrity and fortitude about the way he goes about handling himself as a member of Parliament, because I think only then will the people in the north west—when they call

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him in Victoria Park for electoral advice—be able to say, “Well at least we have a decent member of Parliament representing us.”

While we sort a few things out, I want to come back to where I was on this very, very important debate on local government amalgamations. I have just fired myself up, and another comment made by the member for North West was, “I know that when I was still in the Labor Party, three-quarters of you supported forced amalgamations.” By my calculation, if three-quarters supported it, that would be our position! Clearly three-quarters of the Labor Party does not and did not support forced amalgamation, hence that is not our position. The member for Perth has clearly and concisely outlined the Labor Party’s position on amalgamations of local government.

I said my comments were going to be brief, but I will conclude by saying that all I ask of the member for North West is a bit of sincerity and consistency in the comments he makes in this place, regardless of whether he is a member of the Labor Party or the National Party.

MR P. ABETZ (Southern River) [6.05 pm]: I rise to speak against this motion, and perhaps I should preface my remarks by saying that I lived in Victoria at the time when amalgamations were a very, very hot topic. We lived in Victoria from 1980 to 1991, and in the 1980s the John Cain Labor government tried to bring about the merging of councils in a totally voluntary way and got nowhere, unfortunately. Then Jeff Kennett came in and forced amalgamations, which led to a very big backlash. When I lived in Geelong in Victoria, at the time it was first mooted to merge the five local councils that made up the City of Greater Geelong, I was a very strong opponent because I believed that the closer those in authority are to the people they are governing the better, and that that was an ideal situation. However, in hindsight, since the amalgamation of the five councils in 1994 or thereabouts, anyone who has lived in Geelong and has gone back and seen the change that has been made possible by having one council that actually looks after the whole City of Greater Geelong, rather than having five competing councils each trying to do their own little thing in their little quarter, despite the economic difficulties with the motor vehicle industry and so on, knows that it has become a much more vibrant city. A lot of things have been developed, and it has the character of a large country town; it is a very desirable place to live. In fact, our son and his family live in Geelong and we get there quite regularly. There is no question—I think most people living in Geelong would certainly agree—that the outcome of merging the five councils has been very, very positive and benefited the citizens and industries, including the tourist industry, of the Geelong area.

I think the issue in Western Australia is that, ideally, we want councils to merge voluntarily, if appropriate. As I think the member for Jandakot mentioned, there are 138 councils in Western Australia, 85 of which cover a population of fewer than 2 000 people; that is hardly sustainable, and certain fixed costs have to be borne in running a local government. Therefore, the important thing is that we move towards helping councils to see the need for amalgamation when there is a real need for it. Some of the processes that the government has put in place have certainly served well in moving local councils towards better management practices and coming to recognise that things do very much need to change.

Local government boundaries have often been drawn in places where they were perhaps quite appropriate a long time ago. In my electorate, a sliver of the suburb of Canning Vale is in the City of Canning and the bulk of it is in the City of Gosnells. From a management point of view, that really does not make a lot of sense, but of course when the boundary was drawn—I am not sure how many decades ago—it was simply a line on the map of a rural area and Nicholson Road seemed as good a place as any to draw a boundary. However, Nicholson Road is no longer really the boundary of anything other than the local government area; the railway line is the boundary of the community. There are issues in providing services, so the boundary really does not make a lot of sense. It would make a lot more sense for that part of Canning Vale to be incorporated into the City of Gosnells.

Another issue that boundaries create is the fact that residents in some councils pay higher rates. For example, residents in the City of Gosnells pay a higher rate than do residents in the City of Canning. The City of Canning has the big Canning Vale industrial area, which is a goldmine for rates revenue, and the Carousel shopping centre is a great revenue raiser. That allows the City of Canning to keep its residential rates low, effectively subsidised by those two big commercial areas. Land in the City of Gosnells, which is an older area and a lower socioeconomic area, is cheaper than land in the City of Canning. The result is that many not-for-profit organisations and charities choose to establish their premises in the City of Gosnells because the land is cheaper to buy. However, a lot of these charities and not-for-profit retirement villages and so on do not pay rates, which reduces the City of Gosnells’ rates revenue even further, yet being a lower socioeconomic area, the City of Gosnells needs to provide more in the way of social services than, for example, the City of Canning does. Therefore, it would be very desirable when reviewing boundaries for councils to look at what we might call “natural boundaries”—that is, genuine community boundaries—rather than arbitrary boundaries.

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An issue which has been raised and which was certainly evident in Victoria during the time of the amalgamations is that in country areas in particular, the local council creates a sense of community and in many ways the local council is the biggest business in town. If an amalgamation results in the council in a town closing down—that is, of course, the biggest business in town closing down—the whole thing moves on, resulting in no more council workers to buy their lunch and perhaps not going to the pub after work to have a beer, the council no longer buying fuel at the local petrol station and so on. Therefore, forced amalgamations effectively brought about the death of quite a number of rural towns in Victoria. If members talk to people in rural areas, they will hear some people say, “It’s been a great improvement”, but there are others who still in a very real way mourn the loss of community that happened.

Therefore, the issue is: how do we go about structuring our reform? I believe the motion’s implied criticism of how the Barnett government has handled this is totally unfounded. The work that has been done by the Minister for Local Government sought to build capacity within the local government sector, helping local governments to, if you like, lift their game, improve their management techniques and so on. Some of the bigger councils, such as the City of Gosnells, do not need to amalgamate. The City of Canning is big enough to continue to be self-supporting; it is very viable. However, even that local government area has room, I believe, for some boundary rearrangement to make local government more efficient and more effective.

The question, I guess, comes to where, when and how we go about moving amalgamations forward. I believe that the Minister for Local Government and the government as a whole has been extremely patient in not forcing amalgamations, but simply trying to move things forward. Admittedly, it has been a very slow process, but I believe it is important that we take the community with us and do not just suddenly impose something upon the community. Certainly, from what I know of Victoria at the time, the Kennett government brought in legislation that set up a board—I think that is what it was called—that had amazing power to basically displace councils. That legislation specifically provided that a decision of that board could not be appealed to a court. That board eventually cut the number of local government areas from 210 to 78, which led to a lot of pain, particularly in rural areas where local council workers lost their jobs.

As I mentioned before, a lot of towns where the councils were based lost not only the council workers from the biggest business in town, but also the other service businesses—the local petrol station could not make a go of it anymore, perhaps there were two pubs in the town but the town could no longer support two pubs, and bank branches closed. There was a lot of pain and we should not underestimate that. However, the issue still is that we need to recognise that there comes a time when change is essential. Declining numbers in some rural communities mean that some local government areas simply are not viable anymore. I think there is one local government area that has a population of fewer than 200 residents, so something like 25 per cent of the rates revenue is spent on the CEO’s salary, which is hardly a good use of funding.

The move to compulsorily amalgamate local government areas in Victoria, I think, contributed to the electoral defeat of the Kennett government. There was a lot of resentment in communities that were forced to amalgamate and people felt they had very little say in the way that it was done. I think another thing that led to the demise of the Kennett government was the fact that it passed a law at the same time that required 50 per cent of all services that councils provided to go out to tender. That again had a very damaging effect on local communities. Let us say that the local council got its sand supply from the local sand quarry, which is a guy with a front-end loader and a truck who supplied the local area with sand. Then it had to go out to tender. The big national companies could put in tenders that totally undercut the local guy. The result was that he went out of business. Once he was out of business, up went the price that was being tendered. In many areas after the local supplier had gone out of business, the cost of services in the local area increased significantly. That whole issue of forcing 50 per cent of all services to go out to tender was very damaging to local communities and it contributed to the Kennett government’s demise.

With the benefit of hindsight, today very few people in Victoria would say that the amalgamation of councils has not been a good thing. There is very strong evidence that the bulk of the amalgamations have been positive. From what I have seen in Geelong and Ballarat, which had three or four councils, and the City of Bendigo, which had a number of councils, they were clearly entities that benefited from those amalgamations taking place because it allowed for much better planning.

I conclude my remarks by saying that I believe that amalgamation of local governments is very desirable. It is something that we need to move in a way that we take the community along with us and in that way ensure that we have the community on board and ensure that local government is still well connected to the local community. I would not want to see compulsory amalgamations unless every voluntary amalgamation process had been totally exhausted. I do not believe we are anywhere near that. I believe that the direction that the government is taking has been very positive and helpful.

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Debate adjourned, on motion by **Mr A.J. Simpson**.