

**LOCAL GOVERNMENT — AMALGAMATIONS**

*Motion*

Resumed from 15 August 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 A.J. WADDELL (Forrestfield)** [6.02 pm]: I rise to support this motion because I can tell members that there is a fair amount of despondency in the community, particularly among local governments. I find that I need to increasingly liaise with local government as they are forced to deal with more and more issues that arise in my electorate. The overwhelming sense I get from one end of my electorate, the City of Gosnells, is that “We’ll be fine; we’ll survive whatever amalgamation process will come our way because we have the size to support ourselves and the infrastructure in place to deal with it.” The City of Gosnells is relatively confident that the process will not affect it in a great way, but it would like to have the certainty necessary to plan for the future. The council needs to know what potential boundaries exist and what their income base for the future will be. They need certainty. The uncertainty, as this government vacillates day to day—it has been on its amalgamation process for four years now—continues to grow.

At the other end of my electorate is the Shire of Kalamunda, which is aware that it probably does not have the size necessary to survive any of the amalgamation models that have been floated about. There is an incredible amount of uncertainty for the Shire of Kalamunda. It has been put to me by the shire president that it in fact will be gone under an amalgamation process. How does an organisation survive that? How does it get on with the day-to-day business of dealing with the residents in the area? How does it deal with the plans it needs to make when it has an overwhelming sense that it will be gone? Why does the Kalamunda shire feel that it will be gone? This government needs to make a decision; it needs to get on with the task at hand; it needs to rule out any amalgamations; and it needs to provide certainty to the Shire of Kalamunda. No doubt a large number of local governments throughout the state have the same sense of doom as the models keep changing and the government ums and ahs about what it will do about amalgamations.

More than that, councils need to know that their future income is certain and that they can plan for moving forward without the sense that they are in fact squandering ratepayers’ money. That is what they are faced with at the moment—the choice of trying to get on the amalgamation bandwagon, to plan and to talk to allied local governments in the area and to try to get cooperative services up and running. They need to do further investigations into what would happen in an amalgamated situation or they need to consolidate their base and plan around their existing boundaries and allow a proper strategic planning process. They are in no-man’s-land at the moment. They do not know which way the wind will blow in this process and they certainly do not know what the future holds for them. Any organisation that has this sort of Sword of Damocles hanging over its head will no doubt stutter and fade as it waits for a decision.

The people of Western Australia are keen to know what all this will cost us. How much money has been poured into a process that to date has achieved absolutely nothing? How much money has been spent by each and every local government in this failed planning process? How much money has been poured into it by the state government itself? We have a right to know how much money has been squandered on this process because the minister has been unable or unwilling to provide certainty to local governments about their future. The government should either grab the ball and run with it and thereby do something, or do nothing. It cannot stay in no-man’s-land forever.

We are now six months out from the next state election. I recall at the last state election that the whole idea of amalgamations was an issue. I remember it coming up in advertisements. I remember people speaking to me on the actual topic. I can honestly say that at that time I do not think local governments had any sense that if the coalition was elected, they would be faced with four years of uncertainty—four years of planning efforts that lead nowhere. They did not have a sense that they would see millions of dollars poured down the drain in an attempt to be seen to be doing something while actually not doing anything at all. In fact, I feel that if local governments had known how the Barnett government was going to behave towards local governments, they would have been out there promoting the Labor Party as far as they possibly could. They would have had local councillors on every polling booth handing out Labor how-to-vote cards. They would have been lining up to endorse the Labor government if they had known what a nightmare the Barnett government’s approach to the amalgamation process would be.

I suppose we have some questions to ask the government about what it is hoping to achieve. I have heard it said that there are around 139 local governments and that is an unsustainable model that we simply cannot afford. I do not think anyone will argue for a system that requires our local government system to be unsustainable into the future. I want to make it absolutely clear that we certainly do not support forced amalgamations. But that does not mean we do not support amalgamations where the local governments see some value in that amalgamation. There is no doubt that we support the pooling of services when that is appropriate.

Local government is an evolving layer of government. One needs to remind oneself of that in the ongoing debate in Australia about whether we are over-governed and whether three tiers of government is too many. If that were ever put to the test or something were done about it, local government would be the one that went under the knife. That is simply because local government does not have a place constitutionally. The Australian Constitution obviously defines the commonwealth layer of government and the states are also constitutionally defined. There is no prospect that at any time within my lifetime, I would say, we will see the middle layer, the so-called state layer, phased out in favour of local government.

If efficiencies are to be found in our layers of government, those efficiencies need to be found largely at the local government level. There are many models we could look at to do that. We have talked a fair bit in recent years about the idea of mission creep getting into local government and how local governments are moving into all sorts of areas within which we might not necessarily see them as having a role. That often occurs because local government sees a need. It sees a failing, perhaps, of the state or federal governments to deliver a service in the community and they move in to meet that. Of course, it then begins to do something in that area and seeks more and more resources and more and more funds. Eventually, at some point it moves onto the radar and we say, "What are you doing in our territory?" We start criticising local government for doing that. Really, local governments are part of that layer that is closest to the ground and, therefore, they meet those needs.

I reflect on my area and the City of Gosnells. The City of Gosnells has set up many innovative programs. We could say that there is some mission creep there and ask why they are doing that. They are often doing that simply because the state government continues to fail to see the eastern corridor as part of Western Australia. We seem to constantly fail to deliver services to those areas. The far-flung fields of Kenwick and Maddington are constantly ignored. I heard the Minister for Transport today outline his great vision for public transport to the new sports stadium. Of course, the one area that he yet again completely failed to mention was the eastern corridor. Not a single thing will be delivered out my way.

**Mr P. Abetz:** One of the stations is getting upgraded.

**Mr A.J. WADDELL:** I can tell the member that that will not do anyone in Forrestfield any good. At the end of the day, it simply says that there is a need there. The upgrade of that station is merely bringing it up to a specification that will still be below what people enjoy on the northern lines. People have become quite used to us not getting anything. Local government tries to step in at that level to deliver the services to its ratepayers because it is responsible for those ratepayers. We are saying that it is time for local governments to get on with the job. Let us get out of their way and take out of the equation the uncertainty that has been injected by this amalgamation process, which is really just this melange of ideas. There is no timetable. There is no understanding of, "This will happen and then this will happen", which I really believe is what local governments would like.

There has been a fair bit of controversy at the Shire of Kalamunda over some of the things the council has done over the years. The current administration has gone quite a way to try to correct some of the issues. That particularly comes down to the fact that in the Kalamunda shire there is this culture known as "up the hill and down the hill". Traditionally, the shire drew many of its representatives from the top of the hill, the Kalamunda and Lesmurdie area, which I think, traditionally, has been a higher socioeconomic grouping than the people from down the hill in the Maida Vale, High Wycombe and Forrestfield areas. Over the past 20 to 30 years there has been large population growth in the foothills area. The majority of the population in the Kalamunda shire is drawn from the flats, the "down the hill" area. At the last election there was a rejigging of the ward boundaries and the number of representatives from each ward. For the first time ever the flats got equal representation with the top of the hill, which was quite a revolution. I do not think that the flats people have all got together yet to force the kind of change people would like, but there has been a slight change of culture.

Many great projects are on the drawing board for the flats area. One that I would like to speak highly of is the new Woodlupine digital hub, which the shire is trying to put into the Forrestfield area. It will be designed around a digital library and also allow fly in, fly out workers to network through a digital connection between the remote workers and their families. The Kalamunda shire has come to understand that a lot of fly in, fly out workers are drawn to that area. We are very close to the airport, so naturally FIFO workers choose to locate near the airport. That creates some real social problems throughout the shire; we have effectively created a few thousand

additional single-parent families than what there would be normally. These families suffer great strain as a result of the FIFO approach. It is disruptive when one parent flies up north to join the mining boom and the other parent is left to deal with a number of children. It is equally disruptive when the partner comes back; it is their time to relax and they upset the social balance that has been achieved in the household while they were away. The shire has come to understand the unique problems with that lifestyle and is promoting this digital hub concept. I hope that the state government can get behind that. It is very difficult for the shire to enter into projects such as that. It is very difficult for the shire to get the funding and the finance for those sorts of projects when it does not know whether it will still exist in four years. That is one of the great impediments it faces today.

One could argue that there is probably a better scope for the people in the flats to be joined with a larger council. The City of Belmont, for instance, would be a logical extension for the area of High Wycombe, Forrestfield, Wattle Grove and even Maida Vale, simply because the culture, the needs, the demographic of the people and the facilities they are looking for are very similar. People are often looking towards the City of Belmont as a great example of how the shire should behave. It could equally be argued that the people at the top of the hill in Lesmurdie and Kalamunda would be more at home with the Shire of Mundaring, which has that “home in the forest” attitude.

I will not argue that there are not, necessarily, some arguments about why we might not realign the boundaries. I cannot say with absolute certainty that the best model that exists is the current model. I do not hear a discussion going on to allow those alternatives to be canvassed within the community. There is no opportunity for people within my electorate to say that in a perfect world this is how they would like things to be aligned. I know that the local governments had a number of workshops as a result of previous steps in the amalgamation process and people were invited to participate in some of those. I went to one in the Woodlupine Family and Community Centre in Forrestfield one night. There were probably about 20 people there talking about the problems and their visions for local government. In my mind, they were really being led by the nose by the existing local government, because it was the local government that was running the process. There was no opportunity for people independent of the existing structure to have their say and to really put forward an alternative idea because whenever someone put up something that was a threat to the existing body, they had the chief executive officer of that body sitting in front of them, staring them in the eye and saying that they were wrong because of A, B, C, D and E. Of course, the CEO is coming from a position of better knowledge and authority, and he has the ability to argue a case that might be difficult for the average ratepayer to argue against. Again, when a CEO is sitting in a position that pays a few hundred thousand dollars a year, he has a vested interest in ensuring that the status quo remains. Human nature is what it is; if someone has a vested interest, naturally he will argue and lead people towards the status quo in any consultation process. If someone were to go through that process and make suggestions, it would need to be independent of local government. I would like to see some sort of metropolitan authority running these consultation processes rather than the existing councils; otherwise, the existing councils will lead the process to an outcome that will probably favour the status quo.

[Member’s time extended.]

**Mr A.J. WADDELL:** One of the most interesting elements of the debate was when we started talking about Peppermint Grove. It would have to be one of the smallest councils in the state but it draws its funds from the wealthiest base. I recall the Premier telling the ratepayers there that they were safe; they were free and clear of any amalgamation process. That leads to a suspicion—a bit of “us and them” suspicion that we always breed: if someone has the money, they will be okay; those people who do not come from a wealthy background, who do not have the means and who do not come from the leafy-green suburbs of the wealthy, are the ones who will pay the price. They will be pushed around and jostled by a process and do not get that instant protection. That Premier’s comment went quite some way to make a mockery of the process. When the Premier overrides the debate and says that Peppermint Grove is safe when clearly it is probably the prime candidate —

**Mr G.M. Castrilli:** Nobody’s safe.

**Mr A.J. WADDELL:** Yes. The Premier’s comments made an absolute mockery of the process. I take the minister’s interjection that nobody is safe. It is an interesting piece of language he uses in terms of “safe”. Really, everyone should be safe.

**Mr G.M. Castrilli:** I was only paraphrasing what you said, that’s all.

**Mr A.J. WADDELL:** Okay, I will take that minister, but everyone should be safe and it should be about an optimal process that leads to an optimal outcome.

**Mr G.M. Castrilli:** Can I then say that everybody is in the mix.

**Mr A.J. WADDELL:** I am sure that will make those who are involved in the process just a little more nervous.

We today asked the government to provide advice on the cost of its amalgamation process; that is reasonable. We are six months out from an election and people have a right to know what level of state money and local government money has been squandered on this process, because the reality is that we have achieved nothing to date. There are no amalgamations; nothing has changed. All we have seen is local governments spin their wheels on this process. Finally, the government needs to make a definitive statement on what will happen. Will there be forced amalgamations? Will there not be forced amalgamations? Will we have one super-council? Will we have five councils? Will we have 12 councils? I would certainly advise against the one super-council. We saw what that generated in Queensland, and we have now seen the people in Queensland say, “Oh my God”. They have woken up with a terrible hangover and said, “What have we wrought upon ourselves?” A super-council is what allows those sorts of monsters to get out of their cages. I would not like to see my community have to deal with an organisation that was primarily focused on delivering services to the western suburbs. We have unique problems in the east and we need some innovative solutions. A one-size-fits-all approach certainly would not work. That said, we have some excellent councils in operation now, and I would hate to see them handcuffed by this process. I commend the motion to the house.

**DR A.D. BUTI (Armadale)** [6.25 pm]: As I was listening to my friend, the member for Forrestfield, he mentioned that chief executive officers of councils can earn a couple of hundred thousand dollars—probably more in some councils. I then thought that when you, Mr Speaker, retire from this position, it might be the ideal occupation for you. I would have thought that the four years served as Speaker will serve you well in chairing council meetings.

**Mr G.M. Castrilli:** It is the CEOs who get that money.

**Dr A.D. BUTI:** That is what I meant, as a CEO. I would not wish it on the Speaker to be a councillor. However, it is interesting as we look at the issue of local government, that there are many people in this room at the moment who have served as councillors—there are at least four, are there not? The Leader of the Opposition was the Deputy Mayor of Rockingham at one stage, and the member for Maylands has also been a councillor. It is interesting as we debate this motion that many people in this chamber have had first-hand experience with councils.

I had a discussion with the minister before my contribution and we talked about the issue of whether to amalgamate. Most of the Western Australian public probably do not think of their local government too much; they think of the state government and the federal government. But the amalgamation of councils is an issue that can cause a lot of heated discussion. It is interesting because I would imagine, when discussing political debates across the dining table at home, local government does not come up that often. However, before the member for Ocean Reef interjects, of course local government services are often at the forefront of people’s minds. I was in Bunbury on the weekend in the minister’s home turf—I refer to the former Mayor of Bunbury and also my mother’s local member. My mother was very annoyed about the decision by local government to implement a plan for a third bin to be put out for collection. My mum said it was a decomposition bin, and she is adamant that she will not put any materials into that bin! She could not believe that the council is making her pay \$60 a year for this bin she will not use. As a local member, I hope that the minister may take that up on behalf of my mother.

**Mr J.M. Francis:** Does your mum vote Liberal?

**Dr A.D. BUTI:** What a silly question that is!

With regard to this motion, we have not yet completed four years of this government, and I understand it is a big political issue, but, really, the minister and the government must decide what they will do. Will they make a promise at the next election that they will continue down the amalgamation route? This process was driven by a view held by government and by many other members of Parliament that amalgamation should take place. I do not seek to read the mind of the minister, or his government, but I am sure he has the view that it was not going to be as difficult as it has proven to be, and that forced amalgamation was on his agenda. As the member for Forrestfield mentioned, the Premier has not helped the minister by preserving or quarantining Peppermint Grove. It was a stupid statement by the Premier. I dare any member on the other side to say that it was a bright decision for the Premier to say that Peppermint Grove will be exempt from amalgamation.

**Mr J.M. Francis:** When I spoke on this particular issue three weeks ago, I singled out Peppermint Grove.

**Dr A.D. BUTI:** In what way?

**Mr J.M. Francis:** As an unsustainable exercise.

**Dr A.D. BUTI:** Very good, member.

The issue of amalgamation that is being driven by this government and by the Minister for Local Government was not only about whether a particular council was economically sound; there was also the issue of economies of scale and duplication of services. Why should a small area —

**Mr I.C. Blayney** interjected.

**Dr A.D. BUTI:** So the policy now is if they are happy! I think the minister has more substance than shown in the interjection from the member for Geraldton that if they are happy, that is enough! If they are happy about it, that is fine. If that is going to be the policy of the Liberal Party on the amalgamation of councils, that is fine but it is up to the minister to come out and say that that is the policy and that it will be determined purely on the basis of whether people are happy about it, and therefore there will be no forced amalgamations. If people are happy and they want to amalgamate, they can amalgamate; but if they are not happy, they do not need to amalgamate. That is fine, but we need some clarification on that from the minister. We also need some clarification on how much money has been spent in this process.

The Robson report was an interesting report. I hold Professor Alan Robson in high esteem as a former vice-chancellor of the University of Western Australia, where I was once an academic.

I want to digress for a minute on the issues of the importance of local government. On a day-to-day basis, local government is probably the level of government that people interact with more than state and federal governments, but in the psychology of people's minds I do not think they see it as overly important. I gave a lecture about politics at Notre Dame University on Monday. One student at that lecture resided in the City of Subiaco, and I believe that the City of Nedlands was seeking to amalgamate with Subiaco.

**Mr G.M. Castrilli:** Nedlands and Subiaco wanted to explore the opportunity for getting together as one, so they came and saw me asking for my assistance to explore that opportunity, which I gave them. They wanted to explore that, so they went down that track. That is why KPMG did a mergers and acquisition-type paper and presented it to them.

**Mr C.J. Tallentire:** Subiaco never wanted to amalgamate.

**Mr G.M. Castrilli:** Subiaco and Nedlands approached me because they wanted to explore what it could mean to them if they got together as one. I gave them a heap of money to go and do that mergers and acquisition-type paper and KPMG did that report. In that report, KPMG came out and said that if they got together that just on purely operational matters they could save a minimum of \$3.1 million, up to \$4.4 million every year. That was just on operations and had nothing to do with asset rationalisation. That is the report that came out, but then Subiaco decided not to proceed with it.

**Dr A.D. BUTI:** This student asked me a number of questions, which even the minister might be battling to answer. They were incredibly detailed questions for which I did not have an answer. This student resided in the City of Subiaco and was very strongly against amalgamation.

As the member for Forrestfield mentioned, local governments are not constitutionally protected under the Australian Constitution. One of the questions in a referendum in 1988, I think, was whether local government should be enshrined in the Australian Constitution, but that was defeated. There were four questions and all four were defeated. As members know, unless both sides of Parliament support a referendum measure, it never gets up. In that case it was only supported by the government of the day and not by the opposition. I personally would not be in favour of entrenchment of local government in the Constitution, but it does raise the issue of voting. Western Australia does not have compulsory voting for local government and the turnout is shocking. Even now that we have postal voting, the turnout is still abysmal at around 25 per cent. It was probably less before postal voting. I was silly enough once to stand for local government many, many moons ago.

**Mr J.M. Francis:** How did you go?

**Dr A.D. BUTI:** I did not get in, thank goodness. The number of people who turned out to vote was incredibly small, which is a worry because councillors manage to get elected purely on the basis of a couple of streets.

**Mr A.P. Jacob:** Particularly in smaller local governments.

**Dr A.D. BUTI:** Yes, that is a problem. I will not say I would be fully supportive of this, but we should consider the issue of compulsory voting, if only because I think the turnout is abysmal and the quality of councillors can vary as, of course, we know here. All the quality is on this side of the house, so maybe compulsory voting will not make any difference!

**Mr J.M. Francis:** They have compulsory voting for local councils in New South Wales, so I will probably suggest you be careful about what you wish for.

**Dr A.D. BUTI:** That may not necessarily be a good advertisement for compulsory voting. Seriously, there is a problem when such a small number of people determine who will be councillors. They are making important decisions like whether my mum has to have a third bin outside her house.

**Mr J.M. Francis:** Do you want the stats on Peppermint Grove again? It has a population of 1 652 people, of which 1 016 are electors. The shire boundary is 1.5 square kilometres and the length of sealed road is 10.6 kilometres in total. They have a representation ratio in that shire of one councillor for every 145 people and they have one full-time staff member servicing every 78 ratepayers.

**Dr A.D. BUTI:** I can understand why the Premier wanted to preserve that nice little Monaco in the state of Western Australia. Did it say what the shire rates are?

**Mr I.C. Blayney:** They do not care what the rates are!

**Dr A.D. BUTI:** Exactly! I reckon their rates are probably not much more than the rates we pay in Armadale because of the economies of scale. Peppermint Grove probably does not have a great economic base in the sense there is not a lot of industry there.

**Mr J.M. Francis:** Someone told me—I don't know whether it is true—that they do not have to put their rubbish bins out and someone comes in and takes them out for them. Is that true?

**Mr A.P. Jacob:** That used to be the case.

**Dr A.D. BUTI:** They do not have to put out their rubbish bin?

**Mr J.M. Francis:** It is not like that anymore; they have been cutting costs and they have to put their own bin out now.

**Dr A.D. BUTI:** The member for Forrestfield made the very important point about the uncertainty created by the process instigated by the government, in the sense that councils at this stage are unsure of what is going to happen, so it is difficult to plan. For instance, in my area I am very lucky that I have to be involved with only one council, the City of Armadale. I know that some members, for their sins, have three or four councils to deal with.

**Mr G.M. Castrilli:** Do you know when reform was first talked about?

**Dr A.D. BUTI:** Probably quite a while ago.

**Mr G.M. Castrilli:** It was 1954 and then 1957, so going back a long time.

**Mr I.C. Blayney:** They are not rushing!

**Dr A.D. BUTI:** They are definitely not rushing into it. The City of Armadale is a very good functioning council. As we know very well, ratepayers have whinges about their councillors, just as our constituents like to whinge about their local members et cetera, but overall —

**Mr F.A. Alban:** Not in Swan Hills!

**Dr A.D. BUTI:** And not in Armadale, which I thought was a given. Overall, I think most people would agree, as would most ministers who have dealt with the City of Armadale, that it is a functioning and well-oiled council. I have been fortunate to have very good relationships with the councillors, the former mayor, and the current mayor, whom I have known for many years. While we may have differences, it is something we can always work out. It is good that the Minister for Planning is in the chamber because, of course, the City of Armadale has had the peculiar situation of having to deal with the Armadale Redevelopment Authority. For a number of years the City of Armadale had to deal with —

Thank you, Mr Speaker, for protecting me against my own side as I am battling to hear myself think!

It will be interesting to see how amalgamations will work when it comes to the interaction with development authorities. The Armadale Redevelopment Authority had a very good relationship with the City of Armadale. The changes to the metropolitan redevelopment authorities are still being sorted out. It is not a hostile relationship but there is still much to be done with the relationship that the Armadale Redevelopment Authority had with the City of Armadale. Hopefully that relationship will be improved. The CEO who was appointed is someone whom I applaud, as I think do most people. We do have problems. We think that the change to the Metropolitan Redevelopment Authority has not quite worked for Armadale but hopefully that can be worked through.

Whatever people's views are when it comes to amalgamations, we need a decision to be made as soon as possible so councils can decide where they stand. If there was going to be an amalgamation with the City of Armadale, the most natural amalgamation would probably be with parts of Serpentine–Jarrahdale. I would not think that Gosnells and Armadale would amalgamate but maybe the northern end of Serpentine–Jarrahdale

would come into the City of Jarrahdale and the southern end of Serpentine–Jarrahdale would go into the shire down Pinjarra way. The residents of Serpentine–Jarrahdale, who are in the electorate of the member for Darling Range, would be feeling nervous and unsure about their future. I am sure many of those ratepayers would love to amalgamate with the City of Armadale, but not all. I am not sure whether amalgamation would be detrimental to the ratepayers of the City of Armadale. There are many economy-of-scale arguments to be made for amalgamation, especially Peppermint Grove amalgamating with a larger zone.

[Member's time extended.]

**Dr A.D. BUTI:** With economies of scale, we have to be careful that the centre of decision making does not move too far away from the constituents that we are supporting. This is the debate we have at the state and federal level. The argument that is generally made is that it is best for service delivery to be at the state level rather than at the federal level. We can maybe have the overall funding policy decisions at the federal level but the actual delivery would be better at the state level. If we take it down to the microscopic local government level, we have to be a little careful if there are amalgamations.

With regards to the country areas, about which I am no expert, although I am a country boy originally, there is an issue about amalgamation. I can see why people in rural areas do not want amalgamations. From an economy-of-scale point of view, there is no argument that they should but I imagine local government is a major employer in some country towns. If two councils amalgamate in the country regions and there is one central headquarters, what happens to the other town that also has a local government headquarters? What happens to the people who are employed there? That is a major problem that I am sure the minister understands and recognises. I am not sure whether the Robson report looked into that.

**Mr G.M. Castrilli:** It is only metropolitan areas.

**Dr A.D. BUTI:** Yes, that is right; the Robson report only looked into the metro area.

In conclusion, whatever we decide, I am very strongly against super super local government areas, partly because I think it becomes too large but also we do not want another Campbell Newman.

**Mr A.P. Jacob:** Steady on!

**Dr A.D. BUTI:** No, we do not want another Campbell Newman. If we go to Queensland right now and talk to the 14 000 health service workers who have just lost their jobs, I am sure they do not want a Campbell Newman either.

**Mr A.P. Jacob:** You don't get many choices when you inherit that legacy.

**Dr A.D. BUTI:** We will find out when we inherit the legacy of the government in about seven months. We have an \$18 billion deficit.

**Mr G.M. Castrilli:** When I first became a minister, I inherited the legacy of eight years of the Labor government. It wasn't a pretty sight.

**Dr A.D. BUTI:** I wonder what the Minister for Local Government will say in five months if there is a change. I wonder what will happen in five months. I ask the minister to please come to a conclusion one way or the other. We do need to know the cost of this whole process. We could argue that all we have is a report. We need some decisions.

Mr Speaker, if you want to become a CEO of a local government, I will go in and bat for you.

**MR C.J. TALLENTIRE (Gosnells)** [6.46 pm]: I am very pleased to support this motion moved by the member for Perth and add to the debate by pointing out that we have seen a form of amalgamation—that is, voluntary amalgamation—occur across our state amongst a number of local governments at a number of different levels.

**Mr G.M. Castrilli:** We also have regional local governments who are legally tied together and still falling apart like the SMRC, as you understand.

**Mr C.J. TALLENTIRE:** I thank the minister; I was just about to get to that. One of the demonstrations of the capacity of local governments to work together when there is an incentive can be seen in the case of the Southern Metropolitan Regional Council that the minister mentioned around the issue of waste management. The minister is quite right that there are problems with some of those regional governments. That is partly due to the technical difficulty that they are faced with in developing an adequate system to deal with their waste management. The SMRC facility in Canning Vale experienced enormous problems around a system known as the Bedminster system for treating waste and the composting process used there. A huge investment of hundreds of millions of

dollars was required by the member councils of the Southern Metropolitan Regional Council. That investment was probably ill-advised; the technical feasibility of that means of treating waste was a mistake.

I will turn to some other issues before addressing the issue of waste management being a reason for different local governments to coalesce in a particular way. It is important that I begin by acknowledging the excellent work of the local government area that my electorate of Gosnells is located in; that is, the City of Gosnells. As other members have indicated, a degree of uncertainty hangs over the councillors and the staff. I think they deal with that uncertainty remarkably well, but nevertheless it is there. They know that this review is out. People attended various sessions that Professor Alan Robson ran as part of the local government review process. They have been involved in it and they have been listening to the information but they are wondering how it will play out for them. Will it be forced upon them? That is what is causing the uncertainty. I think they are prepared to work with adjacent local governments.

To give another example of where this happens, the City of Gosnells and the City of Armadale work very well together on a number of fronts, one being the area of land care. The Armadale Gosnells Landcare Group is a tremendous group that does a lot of really good work in both local government areas and it pools resources. I acknowledge the member for Southern River for his efforts at various events that have been organised by the Armadale Gosnells Landcare Group. We see a pooling of resources so that we get the best effect and the greatest level of efficiency by having those two local governments working together. Expertise has developed around designing projects and the various annual tree planting days and other environmental works that are managed and undertaken by the Armadale Gosnells Landcare Group. They are excellent works. I recall the national tree planting day this year at the Yilgarn Way Reserve. I again acknowledge the member for Southern River was there working away. We were planting 3 500 trees in a matter of hours. That is the sort of work that happens when professional organisations, local governments with paid staff, underpin the voluntary effort of community people. It works really well and produces an incredible efficiency; it is something to be admired and respected.

The City of Armadale and the City of Gosnells work together in another area as well—that is, householder energy efficiency and sustainable living. They have the Switch your thinking! program, which has been rolled out across local government areas. It has given inspiration to a lot of people. It has given them information to ensure their households are run in a more sustainable way. It has given them tips on how to be more energy efficient. More importantly, it has enabled a certain amount of buying power to occur so that things like energy efficient devices for homes are bought at a cheaper cost and therefore distributed more freely to ratepayers than would have happened had it just been down to an individual local government to make those purchases.

I am giving examples of local governments voluntarily coming together; it is not in a forced way at all. They are doing it when they detect that there is an efficiency benefit and there is some sort of harmony in the approach and it can work well. That is the very commendable side of an unforced amalgamation. A forced amalgamation, I think, has a lot of associated problems.

In debate earlier, we touched on the issue of Subiaco and Nedlands. I understand that that was never a merger proposal of a harmonious nature at all. Indeed, my understanding is that the finances in the City of Subiaco are very healthy; whereas the finances of Nedlands are not so healthy at all. It is quite curious, because over time there has been a view that some of the previous mayors of the City of Subiaco have been left-leaning people, but they have been brilliant administrators. I gather that the current mayor, Heather Henderson, does an excellent job. As I say, the finances of the City of Subiaco are very healthy—not so in Nedlands. That is strange, because Nedlands has had a history of having people who are senior company directors as its councillors, yet they have not managed to manage the finances of the City of Nedlands as well as Subiaco. Nedlands people have in fact had financial difficulties. Yes, the idea of a merger was attractive to them. My recollection is that the last time there was a vote, yes, Nedlands did vote quite strongly in support of the merger, but Subiaco overwhelmingly—I think unanimously—was against the merger.

In that merger example, I know the minister mentioned reports into efficiencies that were commissioned. I think they were probably skewed towards looking at how the merger would advantage the more debt-troubled council of Nedlands than looking out for the actual interests of those in the City of Subiaco.

**Mr G.M. Castrilli:** I wouldn't say that. You are talking about KPMG, which is quite a renowned firm.

**Mr C.J. TALLENTIRE:** I am not questioning that. The minister pointed out that he thought that there was, I think, about \$3 million a year of efficiency that would be gained, but that does not get away from the fact —

**Mr G.M. Castrilli:** I thought you were saying they come up with those figures and they are skewed towards looking at a particular angle and not the overall holistic picture. I am sorry if I have got you wrong.

**Mr C.J. TALLENTIRE:** That is kind of what I am saying, because, although it might have looked at an operating or an annual efficiency gain, I do not think it considered the fact that Nedlands has serious debt problems, whereas Subiaco has a healthy balance sheet.

**Mr G.M. Castrilli:** When you do a mergers and acquisition paper, that is what comes out in the report. I would assume that they looked at all of that. Being KPMG, they would take all that into consideration.

**Mr C.J. TALLENTIRE:** I do not have the benefit of that level of detail, I am afraid, minister.

**Mr G.M. Castrilli:** I am just saying that I would not be casting—I know you are not, but I am looking for a better word than aspersions —

**Mr C.J. TALLENTIRE:** The fact remains that the City of Subiaco overwhelmingly opposes this. I know it remains heavily sceptical about it. I think that is a fair reflection of a lot of local governments. They do not like this idea of forced amalgamation at all.

I return to my own area. I can see in the future other reasons for cooperative arrangements established between, say, the City of Gosnells and the City of Armadale. We have a very large expanse of land known as the Della Vedova land. It is some 500 hectares. It is one of the largest contiguous, singly owned blocks of land in the Perth metropolitan area. There is potential there for around 15 000 residents. It is land that borders the Tonkin Highway. It is in the City of Gosnells but borders the City of Armadale. The owner of that land is looking to develop it. It presents some very exciting opportunities for people. I am encouraging the people in my electorate to let their thoughts be known on what they would like to see on this land and how they would like to see it eventually develop—what sorts of things they would like to see. Already I have received strong responses. People are very clear that they want to see the retention of areas of bushland. They want to see the wetland features retained. They also want to see areas of good quality shopping and café and restaurant-type areas. They want good community facilities. They are interested in the idea of some sort of aquatic centre—even an Olympic pool. This is something that I know local governments really struggle with. Local government can eventually get some sort of combination of a state-federal-local government financing arrangement for the building of the Olympic pool, but it is the ongoing costs that have to be considered. Local government is very fearful of the ongoing costs of aquatic centres. Nevertheless, the area has a strong need for such a facility. It is very important that we continue our Australian tradition of having easy access to quality swimming pools where people can keep fit and develop their swimming prowess. If there were a cooperative arrangement between the two local governments, perhaps that could help soften the worry of the operating costs.

Collaborative arrangements for local governments can work. I think, though, we have to revisit this issue of the internal democracy in local governments. The City of Gosnells is unique in that it has abandoned the ward system. We just have this huge area. A councillor is potentially canvassing votes right across a huge area with a population of over 100 000 people. It also means that we get large fields of candidates for relatively few spots. Nineteen people were running for six spots on the council at the last local government elections. That meant that if someone was a serious contender, they had to campaign across a population of around 100 000 people. That was very a difficult thing for people to do on the very small budgets that someone running for local governments is likely to have. That is one side of the coin. The other side of the coin is the perspective of the poor voter. Yes, we need more voters; it is another problem for local government. We have a terribly low turnout rate of somewhere between 25 and 30 per cent. People in Gosnells were turning out to vote and having to choose between 19 candidates. It was an impossible task for people to wade through fairly brief biographies or to phone up candidates individually to find out what their credentials were for office. The internal governance arrangements are a real problem and they have to be improved. The abandonment of the ward system in Gosnells is not helping matters at all, and that is a shame. One of the first bills we debated when I first came into Parliament dealt with the voting system, and the Minister for Local Government introduced the idea of a first-past-the-post system for local government; I do not think that has helped matters either, but it is unfortunately what we are stuck with at the moment.

In the few moments I have remaining I want to turn to the issue of waste management facilities.

Debate adjourned, pursuant to standing orders.