LOCAL GOVERNMENT — COST OF AMALGAMATIONS

834.   Mr P. PAPALIA to the Minister for Local Government:

I refer to the cost of forced amalgamations of local governments in Queensland 18 months ago, which was found to be $200 million at an average cost of $2.1 million per local government with the resultant average increase in rates of 7.5 per cent in the first year and the further increase of 7.5 per cent this year.

(1)   Will the minister force the Capel, Dardanup and Harvey councils to amalgamate with Bunbury despite none of them volunteering to do so?

(2)   Will the minister guarantee that all costs of any amalgamations will be met by the state government?

(3)   Will the minister guarantee that rates will not rise dramatically, as they have in Queensland, as a direct result of the amalgamations?

Mr G.M. CASTRILLI replied:

With your indulgence, Mr Speaker, before I answer the question, I want to welcome the people of Bunbury to this Regional Parliament. I also want to wish my dear wife, Loretta, a happy birthday today.

[Applause.]

Mr G.M. CASTRILLI: I have not spent much time with her lately, Mr Speaker, so, as you can understand, I thought I had better get some brownie points while I can!

(1)-(3)   I thank the member for his question. We cannot compare Queensland with Victoria, and we cannot compare Queensland with Western Australia. We cannot compare any state in Australia with any other state. All the states in Australia have totally different circumstances. This Liberal-National government is committed to local government reform. We are eight months into this journey. So far, as I have mentioned in the house previously, nine local governments are willing to amalgamate, and another 60 are ready to consider further discussion about the reform process. Reform is essential. Everybody knows that. The opposition knows that. We know that. The federal government knows that, because the federal government is telling us to reform local government. The Leader of the Opposition knows that.

Mr E.S. Ripper: Answer the question.

Mr G.M. CASTRILLI: I will tell the Leader of the Opposition why I say that. An article in the Rockingham *Weekend Courier* of Friday, 30 May 2008 states —

> If local governments amalgamated they could be far more efficient and cost-effective, State Treasurer Eric Ripper has said.

> Mr Ripper was speaking at the South Coast Regional Chambers of Commerce Budget breakfast at the Port Kennedy RSL Sub Branch headquarters on Thursday —

Mr P. Papalia interjected.

Mr G.M. CASTRILLI: I will get to the member in a minute. It continues —

>   . . . hosted by the chamber and Peel MLA Paul Papalia.

The article states also —

> Mr Ripper said he urged local governments where suitable to merge, and to do it voluntarily, and gave examples of those that already had.

> "There are 140 plus councils in this State and it is in the interests of local government to amalgamate voluntarily," he said.

That is what the now Leader of the Opposition said.

If these shires do not want to amalgamate, I am not going to force them to amalgamate. But I have to tell members something else. I want every shire and every council in Western Australia to seriously consider the consequences and consider their community. This is about the community. It is not about elected members, shire presidents or mayors. This is about the future of the community of Western Australia. This is about looking not only at today, but 25 years and 50 years out. Things are changing. The federal government is trending towards contestability. Local governments that have the capacity to partner with state and federal governments, and to partner with private enterprise, are the ones that will reap the benefits and secure the future of their communities.

As to costs, I have asked each local government to give me an estimate of what it believes the cost of amalgamation will be. Those reports are coming to me. They will be assessed in the next few weeks, and I will

be getting an interim report. So, early next year, I will have some idea of the whole picture of local government reform. As to rates, it is for local governments to determine the level of rates. It is not up to me to force local government to increase rates by 10 per cent or 12 per cent. By the way, some local government in Western Australia are lifting rates by 12 per cent this year, without amalgamation.

Mr P. Papalia: How do you know it will be better if you do not know how much it will cost?

Mr G.M. CASTRILLI: How do I know it will be better? A summary of a survey of local governments in Queensland that was completed recently —

Mr P. Papalia: You can't compare Queensland with Western Australia!

Mr G.M. CASTRILLI: The member for Warnbro talked about Queensland.

Several members interjected.

The SPEAKER: Thank you, members!

Mr G.M. CASTRILLI: While I am not comparing Western Australia with Queensland, let me tell members what Queensland has said.

Several members interjected.

The SPEAKER: Thank you, members!

Several members interjected.

The SPEAKER: Order! Take a seat, minister. Member for Victoria Park, I call you to order formally for the second time. Minister, I would ask you to rapidly reach a conclusion to this question.

Mr D.A. Templeman: Quit while you're ahead!

Mr G.M. CASTRILLI: I will, Mr Speaker!

The SPEAKER: Order! I also call to order formally the member for Mandurah for the first time.

Mr G.M. CASTRILLI: The member for Mandurah is not really a bad bloke, and I repay his compliment. I will take your advice, Mr Speaker, and conclude by saying that local governments recognise the need for reform, as do the state government, the federal government and members of the opposition.

Several members interjected.

Mr G.M. CASTRILLI: Put it this way: I am relying upon the good grace of local governments to put their personal interests aside and ask what is best for their communities. If they do not do that, they will be pushing their communities towards further unsustainability, and on their heads be it.