

**TAMALA PARK LAND TRANSFER BILL 2001**

*Second Reading*

Resumed from an earlier stage of the sitting.

**MRS ROBERTS** (Midland - Minister for Local Government) [3.56 pm]: Before debate on this Bill was adjourned, I was dealing with equity and fairness in the original distribution of assets. I pointed out that rather than take a comprehensive look at the overall financial status of the City of Perth - the value of its cash reserves and assets - there was an arbitrary decision to basically determine that all the land assets in each of those four new council areas would remain with those councils. I suggested that the distribution of assets was largely a matter of chance. Not long before the break-up of the City of Perth, the amount of open space in each of the areas within its boundaries was examined. One of the things that I strongly recall was that the suburbs that are now within the Town of Vincent had less open space than any other areas of the former City of Perth. Members would be aware that the town of Cambridge has vast areas of open space. That is a big asset for the lifestyles of people within the Cambridge area. One of the things that was examined in the context of the parks and reserves fund was the purchase of additional land for public open space and recreation within suburbs such as North Perth, Highgate and Leederville. Members would be aware that Hyde Park is located on the boundary of Perth, Mt Lawley and Highgate; however, it is one of the few large parks in that area. Areas closer to Walcott Street in Mt Lawley have little easily accessible public open space. The program to provide additional public open space for those residents and to give greater equity between various suburbs never took place. Likewise, whether a suburb ended up with a swimming pool, library or recreation centre depended on where the boundaries fell. I have pointed out in this debate that most of the City of Perth's land assets, in terms of their value, were contained within the boundaries of what then became the smaller City of Perth. Greater fairness and equity would have been achieved had there been an appropriate division of those assets that took into account the financial value of what was being given to the each of the cities. The attitude of the former Government was very paternalistic. It basically wanted to look after the central business district, and the only obligation it felt it had to the three newly-created towns was to provide them with an administrative centre and sufficient funds to run their councils effectively; and no doubt it would have reflected poorly on the former Government had it not done that. The problem is that had the former Government used the Local Government Act, for example, the newly-created towns would have fared much better than they did. When divisions of councils occurred in the past, there was, as there is in a marriage break up, an assessment of the total value of the assets and a fair division. However, that did not occur when the City of Perth was divided. The assets that the newly-created towns received within their boundaries were largely a lottery. What was even more scandalous was that those assets that fell outside the boundaries of the old City of Perth were not distributed evenly between those four towns. A strong argument could be made that if the population base of each of these towns had been taken into account, a greater share of the assets should have been given to the towns comprising 25 000 ratepayers compared with the towns that ended up with less than 10 000 ratepayers.

It has been suggested that \$54 million was raised from within Central ward. When I analysed that figure at the time, on advice from staff officers at the City of Perth, it was not correct, because it was not for Central ward but was for the whole city area. Therefore, the \$54 million in rates incorporated not only the CBD but also the West and East Perth business areas. There were, as I have pointed out, councillors for the Heirisson ward, who represented the east end of the city. Having said that on the one hand, I can also assure this House that the greatest proportion of the council budget was always spent in the city area. I will not go down that track too far, because I will get back to the fallacious argument about why the City of Perth was divided in the first place, and that matter may take hours to debate.

I wish to clarify what I said earlier about a telephone conversation with a member of staff from the Perth City Council. I understand that a staff member of the Department of Local Government phoned the Chief Executive Officer of the City of Perth, Mr Garry Hunt, to confirm that the city had received a copy of the letter that I sent it dated 7 May, informing it of the Government's action - action of which I am sure it was already well aware through various media reports and through our policy during the election. I understand that the CEO indicated that the City of Perth would be opposing the proposed legislation. However, nothing was received until the recent letter to all members of Parliament dated 25 June 2001. The CEO did not indicate that there was no point in commenting; rather, he failed to comment during that period, as did the City of Perth.

I expect that if the councillors - that is, the elected members of the City of Perth - were to give serious thought to this issue, many of them would realise the inequity of this situation, because the Towns of Vincent, Cambridge and Victoria Park were cheated out of their rightful distribution of the wealth of the City of Perth. More importantly, the ratepayers of those towns were also cheated out of the distribution of those assets that fell outside the City of Perth boundaries. An example of this is the Roberts Road depot. During the time that the commissioners were in charge of the City of Perth, they sold that asset so that there could be no further argument

from the other towns that they should share in that asset. I certainly argued at the time that the Towns of Vincent, Cambridge and Victoria Park should get a share of that depot land.

The Tamala Park land was purchased by all the ratepayers. If we really wanted to work out a fair and equitable solution, we should look at the number of ratepayers in each of those areas and distribute that asset accordingly. In my view, although the City of Perth has fewer than one-quarter of the ratepayers of the original City of Perth, it will get a one-quarter share. Therefore, the City of Perth will be treated very generously.

It has been suggested during the debate that this Bill will cost the City of Perth a lot of money. However, this legislation will not cost the City of Perth anything. What it will do is distribute the ownership of the land. No money will necessarily need to be paid to the Towns of Vincent, Cambridge and Victoria Park. I say that with the proviso of the remarks that I made earlier to the member for Churchlands in respect of the question she asked me and on which I am getting further information.

Mr Board: If you were to apply that logic to the funds of local authorities, to which all the ratepayers contribute equally, you would be implying that every geographical area should have exactly the same amount of money put back into it in the form of facilities, parks or upgrades. If a council decided that a particular geographical area needed upgrading and it used its total funds to do so, that would create an imbalance within the city; and its responsibility is to the city. I do not think you can say that every ratepayer has bought a particular piece of property. The investment decisions of the council should be for the whole of the city, and they cannot always be equitable.

Mrs ROBERTS: The member for Murdoch's point contributes to my argument. The member for Armadale and I were among the councillors who made many of the excellent decisions about the City of Perth parking fund, the endowment lands trust and the numerous reserves that we had on budget. We were not a council that spent beyond our means. We were a council that had significant money in all kinds of reserves, not just the parking fund and the endowment lands trust, yet we received no share.

It is interesting that members opposite have said during the debate that the City of Perth paid for this and it paid for that in the split up and the creation of the new towns. I will not be drawn into a long debate about how much was actually spent in establishing each of the towns and how much it cost the City of Perth. I believe the cost to the City of Perth was needless, because the City of Perth need not have been broken up in the first place. I could not see then, and I cannot see now, the logic of breaking up a city of about 80 000 people and splitting it into four towns, and establishing four administration centres, four mayors and 32 councillors. I do not think that is in the interests of efficient local government. If the member for Murdoch were to look at the recommendations and reports from groups such as the Institute of Municipal Management and so forth, he would be aware that many of these have stated the proficiencies that local governments should look at in order to be efficient. There should be in the order of 40 000 to 50 000 ratepayers as a minimum.

Mr Omodei: Do you intend to change it back?

Mrs ROBERTS: There is no point. This Government will not go along the same track as the previous Government and commit the taxpayers to the expenditure of further tens of millions of dollars to put it back together.

Mr Omodei: There are millions of dollars worth of savings, according to you. All the administrative centres could be rated and that money could be put back into the City of Perth.

Mrs ROBERTS: Whenever changes are made, it costs. I am not averse to amalgamations of any local government authorities. However, that is a debate for another time. If, for example, the City of Perth wants to move back up to a 50 per cent share of Mindarie, the easy way to do that would be for it to amalgamate with one of its former towns. However, they are the kinds of issues that the city can consider in the future, if it wants to, along with those towns.

I am thrilled to be able to bring this legislation into the Parliament. It does not redress all the inequity and unfairness that existed with the break-up of the towns. In further response to the member for Murdoch, I say that, similar to the new Local Government Act, the old Local Government Act provided for what was to happen to assets when councils were either amalgamated or divided. The previous Government brought in legislation that got around the Local Government Act. That meant that the Government did not have to follow the law, as it existed at that time, regarding the division of a council. It was grossly unfair to the Towns of Cambridge, Victoria Park and Vincent. I am not suggesting that those towns do not have sufficient money and reserves to function or that their administration centres are not first class. I am suggesting that the ratepayers in those towns were cheated badly on a number of fronts. On one large front, they were cheated out of their share of the land at Tamala Park. The Government is righting that wrong with this legislation. It gives me great pleasure, as Minister for Local Government, to sponsor this legislation through this House.

Question put and passed.

Bill read a second time.

*Consideration in Detail*

**Clauses 1 to 3 put and passed.**

**Clause 4: Portions of the City of Perth's share of Tamala Park land transferred -**

Mr OMODEI: Subclauses (1), (2) and (3) deal with a quarter of the City of Perth's share going to each of the three towns. In the minister's response to the second reading debate, I recall clearly that she talked about the equity and fairness of the transfer. The equity and fairness process about which she spoke requires that the share of Maylands land that came out of the City of Stirling - that is, the Maylands Peninsula - should go into the City of Bayswater. Will the minister advise the House why that has not been put into this legislation? Is it because it was too sensitive politically?

Mrs ROBERTS: First, the matter the member raised has nothing to do with this legislation. Secondly, the member was the responsible minister at the time the decisions concerning the transfer of land from Stirling to Bayswater were made. Thirdly, when Joondalup and Wanneroo were separated, they ended up with a half share each. Therefore, this seems to be an equitable situation.

Mr OMODEI: I do not think that is a response to the question. This legislation refers to shares of Tamala Park that belong to the City of Perth. The City of Wanneroo's shares were split down the middle, because that is the way the commissioners decided to do it. In this case, the Government is introducing new legislation into the Parliament to transfer the City of Perth's quarter shares to those three towns. It begs the question: why would the Government not do the same with that portion of Stirling's share that should go to Bayswater? It would be interesting to hear the member for Ballajura's comments on this issue. I expect him to speak on it.

Mrs ROBERTS: This deals with the City of Perth, not the City of Stirling.

Clause put and a division taken with the following result -

Ayes (31)

Mr Ainsworth	Mr Hill	Ms McHale	Mrs Roberts
Mr Andrews	Mr House	Ms Martin	Mr Templeman
Mr Bowler	Mr Hyde	Mr Murray	Mr Trenorden
Mr Carpenter	Mr Kobelke	Mr O'Gorman	Mr Watson
Mr Cowan	Mr Kucera	Mr Penda	Mr Whitely
Mr Dean	Mr Logan	Ms Quirk	Dr Woollard
Mr D'Orazio	Mr McGinty	Ms Radisich	Mr Quigley ( <i>Teller</i> )
Ms Guise	Mr McGowan	Mr Ripper	

Noes (12)

Mr Barnett	Mrs Edwardes	Mr Johnson	Mr Sullivan
Mr Board	Mr Edwards	Mr McNee	Ms Sue Walker
Mr Day	Mrs Hodson-Thomas	Mr Omodei	Mr Bradshaw ( <i>Teller</i> )

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Pairs

Mr Marlborough	Mr Birney
Ms MacTiernan	Mr Sweetman
Dr Gallop	Mr Marshall
Mr Brown	Mr Masters
Dr Edwards	Mr Waldron

**Clause thus passed.**

**Clause 5 put and passed.**

**Clause 6: Transfers to be for no consideration -**

Mr EDWARDS: It is the Opposition's intention to oppose clause 6. Before moving to that matter, however, I wish to clarify the minister's earlier comment in respect of the cost of the acquisition of the block. I was advised that it was acquired for \$4.93 million. I was aware that the City of Perth was only one of the purchasers of the land, and I apologise to the House for an oversight in not presenting that fact more clearly.

The arguments have been put forward about the cost and the amount of money that has been spent. Subclauses (1) and (2) state -

- (1) The transfers effected by section 4 are for no consideration.
- (2) The City of Perth is not entitled to be compensated in respect of the transfers effected by section 4.

I believe the City of Perth has a case to be compensated. In the break-up of the infrastructure of the City of Perth, costs were incurred. I understand that, more recently, the city spent another \$74 538 on Tamala Park to the end of June 2001. The city is spending money. Compensation and equity work both ways. The three new towns have been more than adequately financed through the restructure of the City of Perth. I believe there is some sullage land in Gosnells, and I wonder whether the three councils would also be interested in that land. Probably not, because there are some environmental issues that would need to be cleared up and costs would be incurred for that. I will oppose clause 6 and, if successful, I will move that it be substituted with the following -

**6. Compensation for Transfer**

In respect of the transfers effected by section 4, the City of Perth is entitled to be compensated from the Consolidated Fund for the land and any improvements thereon at a value determined by the Valuer General.

Mrs ROBERTS: This is a very interesting point, and I am quite disappointed, given the member for Greenough's former role, that he would mount an argument to this effect. The City of Perth has already received the lion's share of the assets of the old City of Perth. It has been advantaged in the order of tens of millions of dollars in its share of infrastructure. We once again hear this fallacious argument that the City of Perth is out of pocket because it paid for some things for the new towns. The City of Perth did not pay for anything for the new towns. The legislation provided for the money to come out of the trust funds. The endowment lands trust fund amounted to some \$12 million. If the principle of allocating to the new towns whatever fell within their boundaries was followed, the Town of Cambridge would have had a good argument for keeping the whole endowment lands trust fund, given that all the endowment lands fell within its boundaries, but that did not happen. There is absolutely no case for compensation. A balance sheet would probably show a case for further compensation to each of the new towns.

As for the argument about a piece of land in Gosnells, it is too ridiculous for words. The suggestion is that the towns will not put in a claim for this because there are environmental costs. Each of those towns got pieces of land that had environmental costs. There was some land in North Perth that cost the Town of Vincent money to rectify. There are always downsides to what is received, but that is small bikkies in comparison to the Tamala Park land. What the members opposite fail to realise is the vast asset value the former City of Perth had. The Opposition's suggesting that compensation should be paid is just too ridiculous for words.

Clause put and division taken with the following result -

Ayes (30)

Mr Ainsworth	Mr House	Ms Martin	Mr Templeman
Mr Andrews	Mr Hyde	Mr Murray	Mr Trenorden
Mr Bowler	Mr Kobelke	Mr O’Gorman	Mr Watson
Mr Carpenter	Mr Kucera	Mr Pental	Mr Whitely
Mr Dean	Mr Logan	Mr Quigley	Dr Woollard
Mr D’Orazio	Mr McGinty	Ms Radisich	Ms Quirk ( <i>Teller</i> )
Ms Guise	Mr McGowan	Mr Ripper	
Mr Hill	Ms McHale	Mrs Roberts	

Noes (12)

Mr Barnett	Mrs Edwardes	Mr Johnson	Mr Sullivan
Mr Board	Mr Edwards	Mr McNee	Ms Sue Walker
Mr Day	Mrs Hodson-Thomas	Mr Omodei	Mr Bradshaw ( <i>Teller</i> )

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Pairs

Mr Marlborough	Mr Birney
Ms MacTiernan	Mr Sweetman
Dr Gallop	Mr Marshall
Dr Edwards	Mr Waldron
Mr Brown	Mr Masters

**Clause thus passed.**

**Clause 7 put and passed.**

**Clause 8: Certain agreements prohibited -**

Mr OMODEI: Subsection (1) refers to the period beginning 7 May 2001. What is the reason for this clause? Is that the date of the minister’s letter, and has this clause therefore been included so that the City of Perth cannot embark on legal action to block the Government’s intentions?

Mrs ROBERTS: On 7 May, I put the City of Perth and the three towns on notice, and instructed them to not deal with the land so that ratepayers’ money was not needlessly wasted pursuing this matter.

**Clause put and passed.**

**Clause 9 put and passed.**

**Title put and passed.**

*Third Reading*

Bill read a third time, on motion by Mrs Roberts (Minister for Local Government), and transmitted to the Council.