

LOCAL GOVERNMENT — AMALGAMATIONS

**874. Mr D.A. TEMPLEMAN to the Minister for Local Government:**

I refer to comments by the Mayors of Kwinana, Stirling, Bassendean, Victoria Park and Belmont and the Western Australian Local Government Association president, Mr Troy Pickard, that rates will rise as a direct result of council amalgamations and that costs for each amalgamation will be about \$6 million.

Several members interjected.

**The SPEAKER:** Members!

**Mr D.A. Templeman:** Would you like me to start again, Mr Speaker?

**The SPEAKER:** No.

**Mr D.A. TEMPLEMAN:** I am always happy to help, Mr Speaker. I ask —

- (1) How will these amalgamations put downward pressure on rates if ratepayers themselves have to pay for them?
- (2) Why has the minister still not released the department's estimates on the costs of these amalgamations or the business case for them?

**Mr A.J. SIMPSON replied:**

I thank the member for Mandurah for his question.

- (1)–(2) Three weeks ago we made a decision that after 100 years of local government, it is now time to move on. After eight reports since the Second World War on some sort of reform of local government in the metropolitan area, it is now time to make the decision. I was very interested to hear those comments come out about the cost of reform. At the end of the day, we are still working through that process, and the important part is —

Several members interjected.

**The SPEAKER:** Members!

**Mr A.J. SIMPSON:** I have a report from the sector that states that the figure is somewhere between \$60 million and \$100 million. That is a big gap of \$40 million, so even the sector is not quite sure of the full cost of reform. The thing is, Mr Speaker —

**Mr D.A. Templeman** interjected.

**The SPEAKER:** Member for Mandurah!

**Mr A.J. SIMPSON:** Members may recall that I have stood in this house before on many occasions and held up a graph of the 30 local governments in the metropolitan area that indicated that the largest local governments had the lowest rates and the lowest increases and the smallest ones had the highest rates and the biggest increases.

**Mr D.A. Templeman** interjected.

**The SPEAKER:** Member for Mandurah!

**Mr A.J. SIMPSON:** Quite clearly from the evidence provided, we can see —

**The SPEAKER:** Member for Mandurah, I do not want to see you talking to yourself during the answers to the questions. I call you to order for the first time.

**Mr A.J. SIMPSON:** We quite clearly saw from that graph that larger local governments can provide better services for their ratepayers. That is what we are after. The most important person through this whole process is the ratepayer and to make sure the ratepayer —

**Mr D.A. Templeman** interjected.

**The SPEAKER:** Member for Mandurah, I call you to order for the second time.

**Mr A.J. SIMPSON:** The most important person through this process is the ratepayer. It is about making sure that we get a very good service for our ratepayer, keeping in mind that the Western Australian economy and the state itself will grow to three and a half billion people by 2050 and half a million in the next 10 years.

**Mr M. McGowan:** Billion! Half the world's going to be living here!

**Mr A.J. SIMPSON:** Apology, Mr Speaker; a million.

Half a million in the next 10 years will be coming into Perth alone. The interesting part is that we have a plan for suburbs, parks and rubbish. We have a plan for so much stuff, and one of the most important things about local governments is to make sure that they can deliver those services for their ratepayers. We are still working through the process in regard to the money and finances to deliver those services, member for Mandurah. The most important thing to remember is that the amount of money on the table is similar to the amount put on the table in New South Wales for its reform process that was announced back in August—around \$3-odd million per local government. We are in the same ballpark figure. It is also the same amount of money that was put on the table by the state government in Queensland in 2009. We are therefore in the ballpark figure of where we need to be. The most important thing to recognise is that we are trying to build those economies of scale and that we are making sure we deliver good local government to ratepayers.