

CITY OF PERTH — SUSPENSION

Statement by Minister for Local Government

MR D.A. TEMPLEMAN (Mandurah — Minister for Local Government) [2.06 pm]: I rise to provide an update to the house on the situation at the City of Perth.

Members will be aware that on 2 March I formally suspended the City of Perth elected members, after informing them of my intention to do so on 28 February. The suspension order was made under section 8.19 of the Local Government Act 1995. I took decisive action to suspend the elected members due to ongoing and serious governance issues. Three commissioners have been appointed to fulfil the role of the suspended council—they are Mr Eric Lumsden, Mr Andrew Hammond and Ms Gaye McMath. An inquiry panel will be established as soon as practicable. An inquiry panel has the powers of a royal commission.

Until February, the Department of Local Government, Sport and Cultural Industries' ongoing investigations and prosecutions into the City of Perth related to gifts and sponsorships arrangements. The legal action being undertaken into the Lord Mayor's failure to declare gifts was widely known. Under the act, there is no provision to suspend or dismiss individual elected members. To suspend an entire council, I needed to form the view that the City of Perth's ability to perform its function of providing good government was seriously impaired. On 19 February, the chief executive officer announced that he would take indefinite personal leave to deal with health issues he claims were caused by the council allegedly breaching the terms of his employment contract. This decision by the chief executive officer and the subsequent merry-go-round of chief executive officers in the following days was a serious indication of dysfunction at the City of Perth. In the following two weeks, serious concerns about the functions of the council and administration, including evidence of potential breaches of the Local Government Act, were brought to the attention of the department and to me. I therefore formed the view that the council's ability to provide good government for the people in its community was compromised, and I then suspended the council. I am committed to increasing transparency and accountability in the local government sector, and in this case my primary focus was the interests of the ratepayers, residents and businesses in the City of Perth.

Later this week, I will introduce amendments to the Local Government Act to increase the range of options available to the minister to deal with local government elected members who are not fulfilling their obligations or who are bringing local government into disrepute. I want to reassure the overwhelming number of local governments that this action does not reflect on their good work. The local government sector largely remains a sector of innovation and quality. This is a time for us all to reflect on what can be done better, and focus on delivering excellence to our communities.