

LOCAL GOVERNMENT LEGISLATION AMENDMENT BILL 2014

Third Reading

MR A.J. SIMPSON (Darling Range — Minister for Local Government) [2.55 pm]: I move —

That the bill be now read a third time.

MR D.A. TEMPLEMAN (Mandurah) [2.55 pm]: It is good to be here to make comments on the third reading of the Local Government Legislation Amendment Bill 2014, which has had an interesting gestation over a couple of years. During consideration in detail, it was interesting how we saw a lack of interest by the National Party. There was no questioning or quizzing of the bill in that stage by the National Party when, in fact, it was the National Party that moved a bill regarding particular issues associated with the establishment of regional subsidiaries. It was interesting but not surprising because it is a pattern that we have now seen with a number of pieces of legislation where there is some chest beating but no contribution to the debating process of this Parliament.

This bill does a number of things. This amendment bill amends the Local Government Act. Essentially, it proposes a range of changes to the act through amendment. The primary change that the opposition strongly supports is the creation of a provision for two or more local governments to establish entities known as regional subsidiaries. Regional subsidiaries are ultimately corporate bodies or entities that are formed and endorsed by the relevant local government to carry out specific purposes. We already know that there are a number of informal and formal partnerships between regional local governments throughout Western Australia, but this assists or allows an entity known as a regional subsidiary to be established. During consideration in detail, I asked the minister a range of questions about legal liability, if you like, of councils that may be part of a regional subsidiary entity. I would hope that if the minister recalls my questions regarding the legal entities that he will respond. Effectively, these regional subsidiaries are able to be established but it is important that we protect the interests of ratepayers. During consideration in detail, the minister responded about the need for appropriate insurances, which will ultimately indemnify ratepayers if there was a challenge to the regional subsidiary in a legal sense.

The other element of this bill, which I think is important, is the need for improvement to the Local Government Standards Panel. The standards panel is a mechanism to oversee complaints about elected members by other elected members, by staff members of a particular council, and indeed a member of the general public who has a complaint that they wish to lodge about the conduct of an elected member of council. I would be interested to know from the Minister for Local Government—maybe this is pre-emptive of a question to be asked in estimates next week—the process for dealing with a complaint lodged by a member of the general public about an elected member. Given that the City of Perth is currently under a high profile cloud because of the ongoing investigations into the position of Lord Mayor and some other councillors, have any complaints been made by councillors, staff or ratepayers about any members of the City of Perth? The minister may not want to answer any questions relating to the City of Perth at this stage but I would hope he might comment on whether the existing standards panel, as it is constituted, is responding to or inquiring into complaints lodged about elected members of the City of Perth. I hope that the minister may answer that question in his response to the third reading debate.

Generally, the improvements to the operation of the Local Government Standards Panel will give it greater autonomy to determine an ongoing complaint that is vexatious or “spirilous”. Did I use the right word?

Ms S.F. McGurk: Spurious.

Mr D.A. TEMPLEMAN: Yes, spurious. My linguistic support —

Ms M.M. Quirk: I thought you were talking about that Greek fish and chip owner.

Mr D.A. TEMPLEMAN: No. My linguistic support and adviser, the member for Fremantle, has corrected my pronunciation of that particular term that I used that I will not repeat.

The proposed amendments clarify and improve the operations of the Local Government Standards Panel, and we support them. There are provisions in this bill that amend some powers relating to health issues; they give the Executive Director of Public Health the power to make local laws. They specifically relate to the changes to the Local Government Act with regard to the City of Perth Bill, which specifically relates to Kings Park. There are subsequent minor amendments relating to A-class reserves and Rottne Island.

One of the other aspects of the Local Government Legislation Amendment Bill 2014 relates to the restriction of the termination payment to CEOs and other senior officers to a maximum of one year’s remuneration. The minister would have had Local Government Managers Australia lobby heavily on that element. It has previously argued for a greater termination payment period. I think the view is that a maximum termination remuneration of

one year is standard for current practices and therefore a maximum of one year's remuneration is appropriate. The minister would recall that debate during consideration in detail on this bill was probably more focused on the regional subsidiaries element. The opposition dealt with consideration in detail in good faith because on a number of public occasions I have argued that this bill sat on the notice paper for too long, when it has cross-party support. During consideration in detail we dealt with the capacity of local communities, through a regional subsidiary entity, to create entities that focus on addressing issues that might be of particular concern to a collection of regional councils with a regional concern or purpose. One issue that we discussed related to child care. A group of regional councils might see child care as an issue across some councils.

We had a debate about the capacity of a regional subsidiary entity to ensure that staff employed have appropriate and correct employment rights and responsibilities. I think the minister was able to respond to that line of inquiry effectively. Another example of where we might see a prevalence of regional subsidiaries established includes the provision of shared services, such as services that might involve the internet or technology across a range of councils. Regional subsidiaries have the capacity to create an entity to officially tender for state and, potentially, federal government projects. It may be a road project or a project that seeks to enhance the safety of an area. I would assume that in a future budget a regional subsidiary entity would have the capacity to focus on moneys allocated for road safety. That is an important issue for many of our regional communities. We need only look at the tragic road death figures in country Western Australia in the first six months or so of this year to see that it is a major issue in a number of regions, including the great southern, the wheatbelt and the midwest in particular. Sadly, a large number of people have been killed on regional roads. Given the push by local government for this legislation and for the capacity to establish subsidiaries, it would be interesting to see if that has been one of the areas for which local government might consider creating an entity. The minister may like to respond to that.

A charter needs to be formulated as part of the establishment of the regional subsidiary process. Under this legislation, the minister of the day is required to sign off on, endorse or approve the charter. The minister might like to respond by way of interjection—I should have asked during consideration in detail—to the question of the capacity to create an entity to amend the charter of a local government through the minister's approval. During its ongoing work, a regional subsidiary established for a specific purpose or a suite of purposes might seek to amend or add to the charter. I am assuming—the Minister for Local Government can confirm it—there is capacity to amend it through ministerial approval. They will write to the minister saying that they seek to expand the purpose of the regional subsidiary. The Local Government Legislation Amendment Bill 2014 refers to the requirement for the charter to address the establishment and the powers and duties of a regional subsidiary. I am assuming that these entities will, by the very nature of maybe their success or perhaps the purposes they are established for, need to be changed due to the circumstances at the time. I would like the minister to confirm that. In the proposed section relating to regional subsidiaries, reference is made to the establishment and powers and duties of the entity. It then refers to the process of members of the entity, qualifications et cetera and the administration of it, which includes fees, allowances et cetera. It then refers to the process of amending the charter. I think that is where, in his response, the minister might need to give me a little bit of information on the capacity to amend, because the other aspect is when that subsidiary reaches a stage at which it is to be wound up. From what I have read and understood of the legislation, the process for winding up a regional subsidiary seems fairly clear. We know that will be the case. Some of the entities will have a certain lifespan, if you like, because that will be related to the subsidiary's purpose. I therefore seek a little bit of clarification in the minister's response to this third reading on that aspect of amendment and capacity to change. He may comment that if the charter and the purpose of the entity changes are not in the spirit of its original intention, it might be better to wind up one and create a new one. Perhaps in my haste to assist the bill's passage in the consideration in detail stage, I did not pursue this vigorously enough.

The other aspect of this bill that I think is worthy of comment are the provisions that clarify determinations of the Salaries and Allowances Tribunal that affect elected members of councils. In the consideration in detail stage, I asked whether the minister would provide me at some stage with, I suppose, a scope of the current practices of payment to local government elected members. I think it is now three years since the introduction of the banding of classification of councils, and with it sits a maximum dollar figure paid per councillor, depending on the band under which they belong and the loading, if you like, or a specific aspect relating to allowances for elected members. Then there are payments that can be made to, I think, band 1 elected members, such as the Lord Mayor of Perth and councillors or mayors within the band comprising a significant ratepayer base. I would like the minister to respond to that question in his response to this third reading. Does the minister remember the question I asked? From memory the question was: can the minister give us a bit of an idea of the percentage of councils that pay their elected members quarterly or yearly to see what seems to be the preferred process in the system? The section of the bill that relates to SAT's determination and the issues relevant to elected members' costs refers to what happens pro rata when someone resigns from council but has already been paid their remuneration. The minister might recall that in consideration in detail, I asked—I do not expect exact percentages, but if he has them that would be great—whether most councils in Western Australia pay fees

quarterly or half-yearly. What is the standard practice? I asked a question of the minister, perhaps in last year's estimates—if not, look for it in this year's estimates—about the number of councils that went to the higher limit. As the minister knows, elected members can be paid up to a certain amount within each band. My understanding is that most councils went to the maximum, particularly the bigger, more populated councils. It will be interesting to know, given that we are two, three years or more —

Mr A.J. Simpson: It was 2013.

Mr D.A. TEMPLEMAN: Yes; it is coming up to three years. After two full financial years, we will have a clear indication of what the sector has progressed to.

It is interesting because I think, privately in consideration in detail, we joked about what we were paid as councillors during the dark years when councillors did it for love—they certainly did not do it for the money. Since the payments have been upped, it will be interesting to see the number of candidates who have nominated for local government election. I am being very kind to the minister; he might want his very good staff to prepare such information in case it is pursued with a probing question during the estimates process next Thursday!

I do not need to say any more on this bill. The opposition supports this bill. It is, in fact, the only piece of legislation of a local government nature that has progressed through Parliament in this term of government, with the exception of the City of Perth Bill. Given the history of proposed local government reform and delivery, this is now the second piece of local government legislation—apart from the City of Perth Bill, which was supported by the opposition—to go through this place. I assume that this bill will be supported by members in the other house. However, as members know, we cannot necessarily assume what our good friends in the other place will do. I believe I am not allowed to reflect inappropriately on the other place—I do not know what could happen to me if I did that, but it would be very painful, no doubt, so I will not do that! I hope, minister, that when this bill gets to the other place, it is progressed quickly. I would like this bill to be given some priority by government in the other place so that it can be passed before Parliament rises at the end of June. The local government sector has wanted this legislation for some time, and that will be an important indicator to the local government sector that we understand the importance of this enabling legislation, particularly with regard to regional subsidiaries.

This legislation needs to be seen by the local government sector as another reminder that it needs to get its act together in terms of transparency and delivering a high quality service. That is not to say that I think local government is not doing that. However, one thing that needs to be understood very clearly is that the world is changing rapidly, and if local government wants to remain relevant and play the important role that I think it can, does and will play in the future, it needs to respond to that change as much as it possibly can.

MS M.J. DAVIES (Central Wheatbelt — Minister for Water) [3.22 pm]: I will not spend a great deal of time speaking on the Local Government Legislation Amendment Bill, but I want to put some comments on the record. The Nationals are very pleased to support in particular the measures in this bill around regional subsidiaries. I remind members that some time ago—I think first in 2010, and then in 2012—the Nationals introduced a private member's bill to show our support for regional subsidiaries. I know that we are not allowed to reflect on happenings in the other place, but I started my time in Parliament in the other place, and I was a member of the committee that investigated regional subsidiaries. In fact, the push for regional subsidiaries has come from the local governments in my electorate. A number of councils have gone to South Australia and have seen how regional subsidiaries have been working very successfully in that state since 1999. Yes, the structure of local government in South Australia is slightly different from the structure in Western Australia. However, the sector is keen to pursue the basic tenets of the regional subsidiary model, particularly for small local governments in regional areas, because it will provide opportunities to collaborate on projects and gain efficiencies in service delivery. I have had a lot to do with Councillor Graham Cooper from the Shire of Cunderdin, who, along with a number of other people, was an enormous champion for this process in the early days when we first started talking about regional subsidiaries.

The Nationals welcome this legislation. The successful passage of this bill through this house and the other place will give councils another tool to enable them to collaborate on the delivery of projects and services for their communities. This legislation is very important from a regional perspective. I am speaking on behalf of my electorate. Local governments in regional areas want to maintain their local identities. However, they want, and need, assistance to enable them to provide more flexible service delivery models. Local governments in regional areas deliver a raft of services. Mention has been made of child care and aged care. However, in the wheatbelt in particular, it is challenging to deliver those services when there may be only a small number of people in the region. Councils need to be given flexibility so that they are not locked into the formal structure of regional local government under which they are required to collaborate with the same councils all the time but can work with councils on a project-by-project basis or a service-by-service basis. The Shires of Brookton, Pingelly and Beverley may want to work together on a project, or the Shire of Brookton may want to form a charter or regional subsidiary with another grouping of councils for a separate project. That would enable councils to scale

up some of their projects. I am thinking of a group in the north east of my electorate that is trying to deliver aged-care housing across a number of communities. It is not anticipating, and has not investigated, using a regional subsidiary model, because that option is not available to them at this time. Undoubtedly, if that option is on the table for those councils, it will enable them to deliver projects from funding that they are attracting from both the state and federal governments and their own entities. I am sure a raft of initiatives will be undertaken if that option becomes available to local government. That fits in nicely with the mandate of the Department of Regional Development to encourage projects of regional significance. I believe this will be very well supported by shires throughout regional Western Australia. We know that the federal government also looks to fund some of the bigger projects. As the representative of an electorate that contains a number of very small councils, I believe this will give them an opportunity to get some of that project funding to flow into our community.

I will say for the record that our colleague Max Trenorden, who is no longer a member of this place, was also a strong champion for regional subsidiaries and worked on this for some time when he was a member of Parliament. He has long had a desire to see this legislation pass through Parliament. We therefore welcome the successful passage of this bill through both houses of Parliament. I am sure that my councils will welcome it as well.

MR W.J. JOHNSTON (Cannington) [3.27 pm]: Sorry, minister! I will give the Minister for Local Government \$3 to wait!

Mr R.F. Johnson: That just shows you the character of a person!

Mr W.J. JOHNSTON: Yes—as genuine as a \$3 note!

I want to join all members of the Labor Party in supporting the Local Government Legislation Amendment Bill. I do not want to talk for long, but I want make a couple of remarks. The first is that it is important that regional subsidiaries not be used as a mechanism to avoid scrutiny. I will give an example. A councillor in the City of Canning as previously formed was appointed by the Canning council to the South Metropolitan Regional Council. That councillor was then asked by the South Metropolitan Regional Council to sign a document to say that he would not report back to the Canning council on the activities and discussions that took place at the South Metropolitan Regional Council, on the basis that he was there as a director of the SMRC and not as a representative of the City of Canning. However, of course that councillor was there only because he was a representative of the City of Canning. That in my view entirely defeated the purpose of having that regional council. I understand that regional subsidiaries are different from regional councils. However, the point I am making is that if councillors are appointed to the management committee or board of a subsidiary corporation, it is essential that they do not use the artificial mechanism of arguing that as a member of the board, they have to be loyal to the board, when of course their principal responsibility is to the council and not to the subsidiary. It does not make sense to put the subsidiary's interest ahead of the council's interest and the ratepayers that they are there to represent. That is quite important.

The other issue that is quite important to reflect on at the moment is that the City of Canning was sacked after an extensive process. There was an internal review and then an authorised inquiry—whatever the proper words are. Of course, the inquiry's conclusions were very different from the departmental review, but leaving that aside, it was an extensive process that led to justifiable termination, even though I thought that the councillors were not corrupt in any way. It was not a question of corruption but of management that led to the decision, and there were clearly faults with the executive of the council as well. I am not laying blame on one side or the other; it was a breakdown in a relationship. It was one of those genuine things. One of the issues in Canning was that people were being elected to council who believed they had a mandate to take action when, of course, the Local Government Act specifies who is in charge. At the end of the day, it is the executive officer who runs the council, not the council, which comes as a surprise to most people when they get elected to local government. I raise that because of the question of accountability and proper understanding. I note the work of the Department of Local Government and Communities and the City of Canning to ensure that those incoming City of Canning councillors are properly trained. I talk to them regularly. They have been amazed at the extent of the training, and we will see whether the performance of the City of Canning is better than any other city, because I imagine it is.

Interestingly, in the lead-up to the election for the re-creation of the council, the former appointed commissioners held a survey about the local government electoral boundaries. The community overwhelmingly wanted small wards and not large wards, and not councillors elected at large. If other councils did the same type of interviews, they would find that people were very similarly disposed to having that direct connection between the councillor in a ward and the community that they represent. That is important because, again, it is about accountability, particularly with first-past-the-post voting, which we have in Western Australia. Making sure there is a direct connection between the community and their representatives is essential. We are the only state that has first-past-the-post voting in multimember electorates. That means we have a problem here in Western Australia.

Although this legislation will fix other problems, it is not dealing with that underlying weakness in the structure of local government in Western Australia.

Without wanting to go on too long, I want to make some remarks about the City of Perth. It seems extraordinary that City of Perth councillors are behaving in the way they are. The councillors need a mirror. They need to look at themselves. If they honestly think there is nothing wrong with the leadership of the City of Perth, they are wrong. There is a serious deficit. The question I ask is: if the issue regarding the Corruption and Crime Commission report into the behaviour of the Lord Mayor had been known prior to the election rather than near the end of the election, would the Lord Mayor have contested the ballot? That is really the question. There has been a long practice in politics that goes like this. If there is an allegation of misconduct, people can state their case and allow the investigation to take place. If an investigation takes place and it leads to charges, say, a police matter, they stand aside from their office, because, of course, a person is innocent until proved guilty. They do not admit guilt, and standing aside is not an admission of guilt; and then they allow the court process to go ahead. If they are convicted, they resign. Everybody understands that, but somehow or other the City of Perth does not seem to understand that long-held practice in political processes. I remind members about Nick Greiner, a former Liberal Premier of New South Wales, who stood aside while there was an Independent Commission Against Corruption finding against him. He fought it through the court of law and he had the decision overturned by the court. Again, Neville Wran was accused of improper behaviour. He stood aside as Premier and allowed the investigation, and when he was shown not to have done anything wrong, he came back as Premier. There is a well-established political practice for people in this situation. I do not understand why it is that the City of Perth thinks it is unique in the ordinary practices of good governance. If it was a corporation, what would occur? If it was a departmental secretary, what would occur? Every time I have dealt with the Lord Mayor, she has been a thoroughly impressive woman. She is the sort of person who people would strongly vote for; in fact, when I was secretary of the Labor Party and I was the nominated elector for the Labor Party because it had a tenancy in the city, I voted for the Lord Mayor; I thought she was an excellent candidate. It is not a question of the Lord Mayor's capacities. It is not a question of her abilities. It is not even a question of her honesty. I am not questioning any of those things. I am just saying there is a finding by the Corruption and Crime Commission as a matter of fact that the rules were not followed. The question whether that finding leads to termination is a separate issue and the minister, I understand, is in the process of getting the department to refer the matter to the State Administrative Tribunal, which will then make a decision. But that is a separate issue to her continuing in the position as Lord Mayor. It is untenable for the Lord Mayor to continue in the position. The Right Honourable Lisa Scaffidi is a thoroughly impressive person and she has been an impressive Lord Mayor, but sometimes it is not a question of how good a person is, but rather how important is the office they hold. I remind people that the Labor Party had a number of investigations by the CCC into its people when we were in government, but only one of those people was shown to have breached a law, and that was John Bowler. It was shown that all the others had not broken the laws of Western Australia, yet they all stood aside from their office of minister. Standing aside from the office is not an admission of guilt. It allows the institution that they are part of to move on. That is not happening in the City of Perth.

Madam Acting Speaker (Ms L.L. Baker), would probably know about a famous book *The Split: Australian Labor in the fifties* about the Labor Party's divisions in the 1950s. It was written as an academic paper. I think the guy's name was Ball, but I cannot remember now. He describes the events of the Caucus meeting in 1956 that led specifically to the split in the Labor Party. The leader of the party "Doc" Evatt demanded that each individual member of the caucus say whether or not they supported him and that led directly to the split. That is what happened at the City of Perth meeting on Tuesday night. Each of the elected councillors was interrogated about what their view was of the elected mayor. What a ridiculous position. Each of those people, all of the councillors, have an equal right to be at the council meeting because they are all elected by their constituents. The idea that somehow or other there were good councillors and bad councillors depending on how they answered that question was ridiculous, as was the moving of a resolution of no confidence in the deputy mayor—unless they are saying they want him to resign because he said the Lord Mayor was no longer satisfying the role of the job. It is a ridiculous idea that a majority should be able to impose their will on a minority; it does not work. It does not work in this chamber. At the moment in this chamber there is the Labor Party on this side and the Liberal Party on the other side. We fight you and you fight us, but we do not challenge the fact that the Liberal Party has a right to be in the chamber and the Liberal Party does not challenge the fact that we have a right to be in the chamber. That is exactly the way that the Perth council should approach things. Again, I say that I am very, very sorry, because I think Lisa Scaffidi has been a very impressive occupant of the position of Lord Mayor, and as I say, I personally voted to put her into the office. But clearly there is a problem, and the interests of the City of Perth should be the thing people think about. I was talking to a Liberal Party member in the corridor the other day and he said, "Scaffidi is a Labor person." I asked when she had ever been a member of the Labor Party and they said, "We always thought she was going to run for preselection for the Labor Party." That is a nice thought, but it is not about her political affiliations; it is about what she is doing in the job. The

Premier and the minister in talking about the City of Perth legislation, because we now have a special act that deals with the City of Perth, made the point that the Lord Mayor has a special role in Western Australia that is higher and more prominent than that of other mayors. In fact, interestingly, the Lord Mayors of each of the state capitals are the only people left with the title of Right Honourable. In the past the Prime Minister had the title of Right Honourable and that was because they were a member of the Privy Council, but of course, since 1986—it might be earlier than that—no Australian has been able to be a member of the Privy Council, so we cannot have the title of Right Honourable. The Lord Mayor has a title of Right Honourable. That is a very high office, and the fact that we give this special title to her is a reflection of that high office. Again, as I say, it is not about the person. This is not saying that she is guilty of anything. I mean, I do think that she has to explain why she has done the things she has done. We all make mistakes. I have made mistakes, I am sure. Everybody, except, of course the Acting Speaker (Ms L.L. Baker), has made mistakes. If people crawl through my background, I am sure there are things.

Mr R.H. Cook: I was going to raise the issue of the outstanding library book —

Mr W.J. JOHNSTON: Yes, that is true!

Mr R.H. Cook: — from 1976, actually!

Mr W.J. JOHNSTON: I actually had a book out of the library.

Mr J.M. Francis: I have two at the moment!

Mr W.J. JOHNSTON: I keep getting that red note from them telling me I have not returned a library book, but I returned it the other day.

The point is that we all make mistakes and making a mistake is not an issue; getting something wrong is not an issue. The issues are: What is in the best interests of the City of Perth; and, what do people think, particularly the majority of those councillors who voted the other night? What do they think is going to happen to the City of Perth over the next couple of years if they do not resolve this issue? What will the media coverage be? Will it be about the achievements of the City of Perth or will it be about the leadership of the City of Perth? There is only one answer to that. It will be about the ongoing discussion. What do the State Administrative Tribunal submissions look like? Whose lawyer is saying what? What evidence was called in the State Administrative Tribunal? That is all anybody will talk about and it is going to take forever to resolve, apparently, according to the minister. As I say, standing aside is not an admission of guilt. There are plenty of people who have stood aside and not been guilty. I gave the example of those Premiers and I give the example of the Labor ministers in the former government in which only one of them, the honourable John Bowler, had actually broken the law. All the rest stood aside for reasons other than legal ones. Just as an example, the honourable Tony McRae did not even breach a standard of the government. His crime was very narrow; it was a breach of the code of conduct for fundraising for the Labor Party. He did not breach the code of conduct as a minister, he did not break any law in the state and he was not guilty of corruption. His sole sin was not to comply with the code of conduct for fundraising for the Labor Party. How narrow can we get?

Mr A.J. Simpson: It's the same with John D'Orazio.

Mr W.J. JOHNSTON: I am not as familiar with some of the things about John D'Orazio, but I just gave that example. Tony McRae was defeated by 54 votes in the subsequent election, but the point is that in the office of minister he stood aside because he put the interests of the Labor Party and the Western Australian government ahead of his own. I think that is the position. Standing aside is not an admission of guilt. Someone is not a bad person because they have made a mistake. There is a process and there will be an outcome, and in Parliament we can observe these things, but we cannot go much further. I just wanted to put those issues on the record, because I think it is quite important for the state of Western Australia that we understand these things.

MR P. PAPALIA (Warnbro) [3.45 pm]: I just want to speak very briefly on the Local Government Legislation Amendment Bill 2014, specifically the regional subsidiary component of it, and in reflection on the contribution made by the Minister for Water; Sport and Recreation earlier about the National Party. I find the Nationals' memory to be very short about who in the party initiated activity, although the minister did make some small acknowledgement of Hon Max Trenorden.

I recall in the first term of the Barnett government the period after that extraordinary assault on local governments and what I call the "Exmouth Declaration", when the then Minister for Local Government notified a group of council representatives at a meeting, I think, in Exmouth in 2009 that the government intended to amalgamate councils everywhere across the state, not just in metropolitan areas, and if they did not accept that ultimatum and amalgamate voluntarily, they would be forced to do so. I remember that vividly. I remember all the subsequent Western Australian Local Government Association meetings and conferences that I went to at which that was significant issue. There were two people in Parliament in the government of the day who stood

up to that assault on local governments and refused to toe the line. One of them was Hon Max Trenorden and the other one was Hon Nigel Hallett. Both of them took it upon themselves to investigate outcomes of forced amalgamations in other states, in particular in Queensland. They went there shortly after forced amalgamations there and compiled a comprehensive report on what had happened and all the issues that had arisen subsequent to the forced amalgamations and the failures that had been imposed, particularly the cost to the state invariably borne by local government ratepayers in that state. Those members presented that information to Parliament and gave it to us in opposition so that we could take up the case because their own parties refused to do so. The National Party, which was completely in bed with the Liberal Party and was part of the government at the time, was incapable of standing up to the Premier in any way, despite the fact that it was a minority government and relied upon its vote, because the National Party had completely sold out for three positions in cabinet and the Speaker's chair at the time. That was the price for the National Party refusing to challenge the government in any way on controversial matters, despite the unpopularity of those proposals in the regions.

As I said, I think that was in 2009, and the painfully embarrassing process associated with forced amalgamations rolled on and the backflips commenced and gathered speed over the years. Initially, the government backed out of the threat to forcefully amalgamate wheatbelt councils and then gradually pulled back until we got to the point at which the entire process had been surrendered and the Premier had to swallow his pride and admit that he completely failed in that initiative he instigated. As all of that occurred, Hon Max Trenorden took up the case of wheatbelt councils that were proposing regional subsidiaries. I think that was way back in 2009. In response to the threat of forced amalgamations by the Barnett government, those members I mentioned went to South Australia and found alternative models. I know this is not the model employed in South Australia, but they have been arguing the case since 2009. I met some of those people at the Western Australian Local Government Association conference. They came to me as the opposition spokesperson for local government and presented a briefing on the case, and I met with them subsequently. They grabbed hold of Hon Max Trenorden and Hon Nigel Hallett and asked them to take up the case, too. We argued the case from 2009. I made reference to regional subsidiaries numerous times in that first term of government as the shadow local government minister. That was well before Shane Love, the current member for Moore, was even in Parliament. To suggest that the initiative has somehow derived from that moment when the current member for Moore came in and read a proposal for a regional subsidiary model is laughable. It goes way back. It goes back to the time when those councils in the wheatbelt felt threatened by the current government's move to forcefully amalgamate councils across the state and they came up with an alternative. It was a good alternative. I commend the fact that finally the regional subsidiary model is being introduced. It should have been introduced many years ago. I commend the minister for doing this. He was not responsible at the time, but he has now taken it up, considered it and brought it forward as an option. I feel that it will work well for many of those small wheatbelt councils. They already collaborate on a number of different projects, but I feel that this will enable far greater collaboration. It will enable them to effectively realise many of those hoped-for benefits that the Premier argued would accrue to councils if there were fewer of them and they were larger. It is doing that without these councils losing their identity, because that is what the wheatbelt councils in particular care about—the identity associated with their town. Their council represents who they are. It is a significant employer in each of these small towns. In the absence of those many local governments that populate the wheatbelt, those towns felt that they would lose not only the employment associated with local councils, but also their identity. Whatever the Premier feels, I do not think he actually talked to many people out there to ask them what their views were. I think it is fortunate that his initiative was defeated and that there now is an option for councils to realise savings and efficiencies and that provides a capacity to build together and combine their skillsets to overcome whatever deficiencies they may have as a result of their lack of population. They can overcome that and still be able to do larger projects together in an efficient fashion. I welcome the introduction, finally, of this approach. Having said that, I believe that it should have happened in the first term of government instead of the very wasteful, very expensive forced amalgamation process that the Premier and a couple of ministers led the state down.

MR A.J. SIMPSON (Darling Range — Minister for Local Government) [3.53 pm] — in reply: I thank the opposition for its support of the Local Government Legislation Amendment Bill 2014. A number of issues were touched on both today and last week during the consideration in detail stage and I will summarise a few of them. The bill goes a long way towards clarifying some things. Everyone has spoken about the regional subsidiary model. That is a great bit of legislation that allows two local governments to join together to provide services. As discussed during consideration in detail, it includes such things as payroll support and waste management—even through to child care. A simple charter can be put together by two, three or four councils and it is up to them how they want to deliver a service. The charter will specify the service to be provided and how. The membership will be made up of the local governments. The charter will then be signed off by me as minister, be gazetted and move forward. The member for Mandurah touched on how changes would be made to those charters in terms of broadening the delivery of the service. Quite simply, the members will be able to get together to vote to change the charter and it will then follow the same process—they will put the new charter together, it will be sent to me

to sign off, it will be gazetted and it will then move forward. It is a simple framework. Members need to keep in mind that the subsidiary will not be able to borrow money as it is not an identity on its own; money will only be able to be borrowed through the elected members' councils.

The bill also tidies up some loose ends with the Local Government Standards Panel. This has been a bit of an issue for us in terms of people putting submissions into the standards panel and then withdrawing them. There have been constant vexatious complaints from some people. This legislation will make changes to free up the standards panel to deal with vexatious-type complaints. People can choose to withdraw their complaint, but the panel will also now be able to at least consider the complaint if they wish to withdraw it. The important point is that it is tidying up some loose ends and streamlining the process. The standards panel is an interesting one in that it can be complaints from councillors about councillors, staff and CEOs and the panel has to deal with them. The first rule is to go through the CEO, then the code of conduct and then the standards panel. The final part is that a complaint can be taken right up to the State Administrative Tribunal. The standards panel has been bogged down in recent years. We have had turmoil years. The number of complaints to the standards panel has come down a little, but we are now getting closer to making those changes.

The other issue concerned public health issues in Kings Park and on Rottnest Island, which are A-class reserves. That has always been an interesting issue when making local laws. I put on the record that with the City of Perth Bill it was noted that the Minister for Health does not have any power over Kings Park. There has been a lot of conversation that the director general of Health now has the power to put a car park into Kings Park for the new children's hospital. I will make one thing very clear: for that to happen there would need to be a planning application. As members would be well aware, any amendments to an A-class reserve have to go through two houses of Parliament. I can completely take that off the table; it is never likely to happen. The public health issues are more to do with maintaining health standards in terms of restaurants providing food and so forth.

Another issue that was touched on was CEO payouts. There will now be one-year maximum payouts. This has been a flow-on effect of trying to bring the CEOs into a bandwidth. Each local government has a bandwidth within which they can pay their CEO. Of course, that is only for those who have been employed in about the last four years. Any CEO who was contracted before then is not affected by the new regime. What has been happening is that there have been quite considerable payouts. We are trying to bring those contracts into the modern world and to be more like those in the private sector, with contracts having a maximum 12-month payout. That is bringing that back into line with where it should be.

Another area that has been changed is that the Salaries and Allowances Tribunal now sets the pay and sitting fees of councillors. We have taken the fees and charges in the Local Government Act and handed them over to the Salaries and Allowances Tribunal to make the determinations on remuneration. The member for Mandurah touched on some payments. Unfortunately, it is up to the local governments whether they decide to pay themselves annually, monthly or fortnightly. I do not have the detail on how many do that, because I would have to go to the 138 local governments and ask them. What I can tell the member is that the majority have a monthly payment. As the member may remember, each month the debtors and creditors are discussed at the finance committee meetings and they normally roll out the payments. Having annualised payments made to councils makes it quite easy to divide them into 12 months. For bookkeeping purposes, it makes life a lot easier. It is my understanding that the majority of local governments go down that road. There are also quite a few that I have come across that actually do not take any pay; they do it for zero pay.

Mr D.A. Templeman: For love, like we used to.

Mr A.J. SIMPSON: Yes, like we used to; we did it for love. That is correct.

Mr D.J. Kelly: And the dinners.

Mr A.J. SIMPSON: For a nice meal after the meeting.

The legislation covers the regional subsidiary stuff that members spoke about, the Salaries and Allowances Tribunal, CEO payouts and the standards panel. Besides the regional subsidiary bit, the rest of it is what I would call housekeeping of the Local Government Act.

During consideration in detail the member asked me about the gift register and how many local governments had set up a web page. I can inform the house that 47 out of the 138 local governments have not yet set up a web page. That can mean one of two things. The first is that no gifts have been received, which is possible, and the second is that they have not got around to it. All 47 have received a letter from my department to make sure that they comply with the new legislation that we passed through the City of Perth Bill 2015, and gazetted in March this year. They must comply with an online register. Even if they have not received a gift, a register must be available online. We are chasing up those 47 councils to make sure that they comply —

Mr D.A. Templeman: They have until 1 July.

Mr A.J. SIMPSON: Correct, they do. I am just making sure that the last 47 comply with that legislation. During the City of Perth debate, the member asked me if every local government had a webpage. Out of the 138 councils, all but one has a webpage, which is another issue on which we are doing some work. However, the important part is that the MyCouncil website contains a lot of information and is getting more than 500 to 700 hits a day. It tells a person how their council is performing, and the best part about that is that it can be compared with other councils. I have had many conversations with councillors, mayors, presidents and chief executive officers and a few raised the point that it is not fair on their council, or that it does not show them in a good light. The one thing that is very clear is that it uses their figures. I encourage them to put a link to their council's home page on that webpage. On their home page they could put up a link titled, "Questions about MyCouncil webpage", and the council can explain why one of its ratios is higher than another council's. It can be a very simple thing to do. Everyone goes for the health indicator, which is only one of a raft of seven measures, but it is an area that can get a low score if there have been higher borrowings to deliver community assets. The other one at the top of the page is about rate revenue increases, which can be higher, but the population growth of the local government can explain why the rates are higher.

I thank the opposition for its support. This bill has taken a little while to get from 2014 to where we are today in 2016—two years. It has taken too long and I apologise to the sector as a whole. We should have got onto it but competing interests to get other legislation through the Parliament makes it hard. This bill now moves into its final stages in the upper house and, hopefully, as the member for Mandurah pointed out, we can get it through to be gazetted before the winter break—that would be very good. It would give me something to talk about at Local Government Week, that we have achieved something for local government —

Mr D.A. Templeman: And you can thank the opposition for its strong support.

Mr A.J. SIMPSON: I thank the opposition for its strong support of the legislation and with that, I commend the bill to the house.

Question put and passed.

Bill read a third time and transmitted to the Council.