

LOCAL GOVERNMENT — AMALGAMATIONS

Motion

Resumed from 13 November on the following motion moved by Mr D.A. Templeman —

That this house condemns the Barnett government for creating chaos and confusion amongst local governments with its shambolic and dysfunctional council amalgamation process.

MRS M.H. ROBERTS (Midland) [5.04 pm]: I rise to support the motion that was moved by the member for Mandurah that this house condemns the Barnett government for creating chaos and confusion amongst local governments with its shambolic and dysfunctional council amalgamation process. This has been a disaster for government. The government first said that it would do something about amalgamating local governments about five years ago, I think. Since then it has been going to happen and going to happen. Once it got close to the last election, the government said that it was not going to force any amalgamations. Yet as soon as that election was out of the way in March, it then started to talk about potentially forcing amalgamations. We waited for the maps. The government would not put the maps out before the election. It certainly did not want to tell the people in the City of Vincent that it was looking at splitting their council into several councils. It did not want to tell the people in Victoria Park that it was looking at taking Burswood and the area around there from the Town of Victoria Park.

Ms E. Evangel: There's no pleasing you.

Mrs M.H. ROBERTS: I am pleased, member for Perth, that the Premier has finally, after creating a lot of unrest and disharmony and not being honest enough to put his proposal at the last election, turned around and said, "Yes, we got it wrong. We should not have tried to hive off part of the City of Vincent—certainly the part of Mt Lawley—to the City of Stirling." I am glad that he has done a backflip and withdrawn from that proposal. None of this would have been necessary if proper consultation had taken place. I note that the chaos and dysfunction are virtually everywhere in the metropolitan area. The councils in the western suburbs are not happy and are not satisfied with the Premier's approach to this issue. I saw that in the southern suburbs the government has now put out a different plan—this time to chop, dice and slice the City of Cockburn. I do not know why. I think that council performs very well, and it has met lots of benchmarks. I expect the reasons for those choices are nothing but political, just as they were when the Premier had his first flight of fancy with the City of Vincent. I think that the people in Victoria Park, as my colleague the member for Victoria Park has outlined, have also got a very raw deal out of what is proposed.

I note too that some of the mayors and councillors representing various local governments have raised questions about what will happen to the rates of the people they currently represent. I note that one of the mayors in the northern suburbs commented that they were concerned that rates would go up. I have been talking to councils and people who are on councils and who live in municipalities in the eastern suburbs. The City of Swan had already decided that it was happy to have a voluntary amalgamation with the Town of Bassendean. The Town of Bassendean has its own identity. It would like to stay as its own entity, and it functions well as a council. Pressure was brought to bear upon the town as part of this amalgamation process. In the early years of this government before the last election, the town decided that maybe it should do the right thing; the government said that the town needed to amalgamate and that we need to have bigger and fewer councils in the metropolitan area. The Town of Bassendean earnestly set about the task of seeking how best it could achieve amalgamation and what would be in the interests of its ratepayers. Indeed, it consulted its ratepayers about this issue. There was quite a lot of feedback directly to the council and the councillors, but also to local newspapers and so forth. The town came to the conclusion that it was in the interests of the Town of Bassendean and its ratepayers to amalgamate with the neighbouring City of Swan. I can certainly see the logic of that. My electorate, the seat of Midland, is largely within the City of Swan, but it is also partly within the Shire of Mundaring. The suburbs of Guildford and South Guildford, for example, are part of my seat of Midland and they are also in the City of Swan. Across the little bridge is the Town of Bassendean. Bassendean and Guildford are little towns on either side of a fairly narrow river at that point. There is a lot of commonality between Guildford and Bassendean. Indeed, I suggest that many people in Guildford do some, if not most, of their shopping in Bassendean. Guildford residents have the option to shop in Midland perhaps at Centre Point or Midland Gate. Alternatively, anyone looking for a reasonably sized supermarket or a range of other shops can go to Bassendean Square. I suggest that people within Midland and Guildford largely support the Swan Districts Football Club, which is in Bassendean, and have traditionally gone to Bassendean oval for a range of occasions, probably particularly to watch football. Most of the players from football clubs within my electorate and beyond feed into Swan Districts Football Club which, of course, is in Bassendean.

Extract from Hansard

[ASSEMBLY — Wednesday, 20 November 2013]

p6338b-6355a

Mrs Michelle Roberts; Dr Tony Buti; Mr Bill Johnston; Acting Speaker; Mr Vincent Catania; Ms Lisa Baker; Mr Peter Abetz; Ms Simone McGurk; Ms Eleni Evangel

I do not have a lot of time to debate this motion today. I could probably come up with a lot more reasons to show commonality and a genuine association between suburbs such as Bassendean and other parts of the Town of Bassendean and of my electorate that are in the City of Swan. That association had certain logic to it. Indeed, there have been discussions with the City of Swan and it had agreed that if it needed to take in more territory, taking in the Town of Bassendean would be a good thing. I understand the City of Swan has resolved, or was about to resolve immediately prior to the government's first iteration of new boundaries, that it would amalgamate with the Town of Bassendean. The City of Swan was well and truly ready to do that. Both councils were working productively and cooperatively on that when the government released a map that showed that the City of Swan would not amalgamate with Bassendean but with Mundaring. Bassendean council was told that it needed to amalgamate with Bayswater. Those who know the local situation will know that Bayswater and Bassendean have not been the best of friends, so proposing amalgamation between them does not make terribly much sense. It is certainly not what the local community wanted. There was no proper consultation about these amalgamations; some lines on a map were drawn. At the same time, the City of Belmont and the Shire of Kalamunda have been told that they must amalgamate.

There are a lot of historical differences and issues around what people will need to pay in their rates. People need to be aware of what will happen to their rates. The Minister for Local Government cannot just make blithe statements that the whole intention is for people to pay less for their rates; there will be some economies of scale and, therefore, overall, people will pay less. The Premier has said that he could not guarantee that there will be downward pressure on rates because councils might choose to spend more money on certain projects, so we will not see rates discounted. I have seen a lot of these types of processes over the years. Never once have I seen rates go down. One thing I can assure members of is that rates will not go down anywhere. We know that the only pressure on rates will be in the upward direction.

I would like to know how matters will be resolved between the City of Swan and the Shire of Mundaring, for example. I note that Mundaring has a gross rental value rate in the dollar of 9.059338c and the City of Swan has four differential rates: a residential rate of 6.945c, a commercial rate of 8.499c, a city centre rate of 8.498c and a heavy industry rate of 13.888c. It also charges ratepayers a sanitation charge of \$328, which the city notes is as a result of the \$28 a tonne landfill levy that the state government charges as a type of environmental levy. I note, however, that not all that money goes into that levy; much of it is swallowed up in the general revenue of this high-taxing government. Some special rates and levies are also imposed in various areas for special purposes.

It is complex to compare all those rates but from the residential part in the minutes of the Mundaring and Swan budget meetings, I assume it is correct to say that the GRV rate in the dollar in Mundaring is 9.059338c and in Swan it is 6.945c. That is more than 2c in the dollar difference, which is quite a significant difference. I ask the question: if the areas of Swan ratepayers—my constituents who live in Guildford, Midland, Midvale, Viveash and Stratton—are amalgamated with Mundaring, how do I know their rates will not have to approach something closer to the 9.059c, which is charged to residents living in Mundaring or for that matter Helena Valley or Greenmount, which are suburbs within my electorate? I suggest that that will put upward pressure on rates.

There is also the question of local identity. People in the Shire of Mundaring put forward the view that, if there is an amalgamation, they should have a 50–50 say and should have 50 per cent of the number of councillors. I do not have the exact figures in front of me but I think the approximate population of the Mundaring shire is 40 000 people and the approximate population of the City of Swan is 120 000 people. We have to ask: should 40 000 people in the Mundaring shire have a 50–50 say when there are 120 000 in the City of Swan shire? I think most people would say probably not. Rightfully, people in Mundaring will therefore be concerned about losing their identity and their capacity to have a say in local matters. Necessarily, because it is provided under the Local Government Act that there be equality of electors for each ward and some form of equality within the votes—some version of one vote, one value—we either need an all-in ward, such as in the City of Perth where the whole council is effectively one ward, or we divide the city or shire into a number of wards and provide equality of electors for each ward. In that scenario we would have to say that if Mundaring has only a third of Swan's population, it will get only one-third of the representation. If the number of councillors is capped at 15, as I believe it is under the Local Government Act, it means that if Mundaring has a third of the population, its council would comprise a third the number of councillors, which means it would have five out of 15 councillors that the City of Swan has. We would see a reduction in the number of councillors at the City of Swan and a reduction in the number of councillors from what are currently within the boundaries of the Shire of Mundaring. We can see why Mundaring might think it will not get a 50–50 say and that the majority will likely rule, and they may well be steamrolled.

Councils make different decisions about the amount of debt they want to carry; for example, one shire amalgamating with another shire may have incurred a lot more debt than the other shire. That will mean

Extract from Hansard

[ASSEMBLY — Wednesday, 20 November 2013]

p6338b-6355a

Mrs Michelle Roberts; Dr Tony Buti; Mr Bill Johnston; Acting Speaker; Mr Vincent Catania; Ms Lisa Baker; Mr Peter Abetz; Ms Simone McGurk; Ms Eleni Evangel

residents on the other side of the boundary and councillors who might have made very responsible financial management decisions may end up paying the debt of a neighbouring shire.

With respect to Kalamunda and Belmont, a lot of people have commented to me that they do not see the community of interest between Kalamunda and Belmont. As I understand it, there are some issues with the airport and the rateable area around the airport between the City of Belmont, the Shire of Kalamunda and the City of Swan. I think as part of that, there will be the loss of some significant rateable land from the City of Swan, which I think goes into a supposedly amalgamated Belmont and Kalamunda. The people of Belmont and Kalamunda have not been properly consulted by government about this. I understand that Belmont has quite a high rate base, but a lesser population than the Shire of Kalamunda. On the other hand, the Shire of Kalamunda has a much greater population, or at least a greater population, than Belmont. There are concerns shared by residents, elected members and workers at both of those councils as to how we get a fair and equitable solution to what is happening there. It seems that these plans are being foisted on them. There is no explanation of these plans and about why certain decisions were taken. Why make a decision, for example, when Bassendean is happy to amalgamate with Swan and Swan is happy to amalgamate with Bassendean, to say that they cannot amalgamate? It can be wondered where the pressure has really come from on this matter.

[Member's time extended.]

Mrs M.H. ROBERTS: It seems to me that most of this is politically motivated. Although it is fair to say that in Western Australia we have too many local government authorities, one area has been a complete stand-out in the metropolitan area; that is, the western suburbs where there have been however many—perhaps six, seven or eight—very small authorities that potentially could and should have been amalgamated to some extent some time ago. That should have been done as part of a proper process, not like the process occurring now.

We can also look at regional Western Australia. I over the years have done some analysis of local government grants, as members in this place may know. The federal government over a period of decades has provided local government grant funding to councils right throughout Australia. That funding is allocated to each state on a per capita basis, which means that if Western Australia has one-tenth of Australia's population, we get 10 per cent of the money in that fund. That money is then allocated according to a formula and administered by the Local Government Grants Commission. The analysis indicates that councils like the City of Swan, the City Wanneroo or the City of Stirling for that matter, big metropolitan councils, get far less money than their counterparts in Victoria, New South Wales or Queensland. If we ask the question about why that is so—why an equivalent-sized council to the City of Swan in Victoria, New South Wales or Queensland should get up to double or the amount of money that funding—we are told it is because of the preponderance of local government authorities in regional Western Australia where there are in the order of 100. If there is any case for amalgamations, there is a stronger case to be made for amalgamations in country regions. Why is that not happening? It is not happening for purely political reasons. It is because the Premier needs the National Party votes in this house to be able to push through his agenda. He is not prepared to upset his National Party friends or to have those fights in those electorates. Again, this is not a matter of integrity in terms of putting forward a logical argument; it is a matter of pure, base politics. We are seeing some changes foisted on the community only in the metropolitan area, not the regional areas, because the Premier and his government are playing politics.

There is no proper explanation for the various maps that came out, and the current set of maps have had no more explanation attached to them than was the case with any of the earlier editions of the government's maps. The lines on the map certainly have not been drawn as a result of consultation with the community and nor have they been drawn as a result of consultation with the government. To give the example from my own area, Bassendean and Swan were happy to amalgamate. It could have happened amicably and in fact, could have been largely in place by now, had the government decided to take a cooperative approach to this matter without interfering or playing politics.

To get back to the words of the motion, it referred to a "shambolic and dysfunctional council amalgamation process", and we are still no clearer on how we get to a conclusion of this shambolic process. The Premier continues to try to say that these are not forced amalgamations. When he has questions put to him on radio and elsewhere, he is told that he clearly is: he has put out this map and said this will happen. With the first lot of maps he said there would only be a few tweaks. We then found out that there were more than a few tweaks, so a new set of maps went out. Again, the Premier said there would only be a few tweaks. I do not know whether to believe him or not. Last time he said there would only be a few tweaks, but there were holus-bolus changes afterwards. Now he says there will be a few tweaks again. I do not know whether he is telling the truth. I do not know whether there will be a few tweaks or whether there will be some more holus-bolus changes. When statements are put to him on radio such as the fact that the Premier said before for the election he was not going to force amalgamations, he says he is not forcing them. It is then put to him that he is because he has put out

Mrs Michelle Roberts; Dr Tony Buti; Mr Bill Johnston; Acting Speaker; Mr Vincent Catania; Ms Lisa Baker; Mr Peter Abetz; Ms Simone McGurk; Ms Eleni Evangel

maps and he has said that the amalgamations are happening and that they will only be tweaks. His response is that he has not forced any amalgamations—yet.

The Premier needs to be honest, is he forcing amalgamations or not? Because if he is not, I think a lot of local governments could save their money, sit tight and tell the Premier they are not doing it unless there is a proper consultative process and unless there is agreement with their neighbouring authorities. That is the essential question that neither the Minister for Local Government nor the Premier has answered. When push comes to shove, at the end of this shambolic process, will they or will they not force amalgamations? Will they, at the stroke of a pen, take residents out of one local government authority and chuck them into another one, irrespective of whether they want to go, irrespective of whether their services will improve or diminish and irrespective of whether their rates will go up?

DR A.D. BUTI (Armadale) [5.28 pm]: I also rise to support this motion that discusses the shambolic nature of this amalgamation process by the Barnett government. I must say that in some respects I feel sorry for the Minister for Local Government in having to often second-guess the Premier's intentions, because we know that this amalgamation process is the Premier's little baby. The Premier is calling the shots and the minister is carrying the can. The Minister for Local Government is also the member for Darling Range, which borders with my electorate, and we had a very friendly question and answer session during the recent state election campaign. The first question asked by the moderator was the issue about amalgamation; namely, what was the position of the Labor Party; what was the position of the Liberal Party. I was quite surprised when the member for Darling Range said, "Our policy is to have forced amalgamations if councils don't agree to amalgamations." I must say I was shocked by that revelation at the time. I asked for clarification and, sure enough, the member for Darling Range clarified that matter. I did not rush out to put out an instant press release on the issue, but unfortunately for the member, the local press were in the room. Of course, they made contact with the Premier's office and within 24 hours, the member for Darling Range was forced to put out a media release to recant his statement of the day before. However, of course, we know that he was telling the truth. One thing from my dealings with the member for Darling Range, who is the Minister for Local Government, is that I find him to be an honest person, and he was stating the truth.

Mr W.J. Johnston: Premier Tony has released the real maps!

Dr A.D. BUTI: He has! Unfortunately, the Premier does not seem to have the same ethics or honesty that the member for Darling Range has. I hope he continues that honesty, but having to be the Minister for Local Government I do worry that he has to be second guessing the Premier, which may result in his moral fibre and character being severely tested. That was the start of this shambolic situation. For his sins, he was made the Minister for Local Government! How ironic was that! We could argue that was payback by the Premier; that the cat was out of the bag before the election that we would have forced amalgamations, but then he had to make a retraction. Given that people then started having a bit of suspicion that the Premier was after forced amalgamations, to pay for his sins, the member for Darling Range was made the Minister for Local Government. I would say it has been a penance for the minister to be the Minister for Local Government. Out of all the portfolios to have in the second term of the Barnett government!

Ms L.L. Baker: It is a dog of a portfolio!

Dr A.D. BUTI: Yes, it is a dog of a portfolio. In the previous government, it was a cat of a portfolio, but it is certainly a dog of a portfolio now! At least, the Minister for Local Government has kept his sense of humour, which is a redeeming feature and probably a survival mechanism in order to cope. Imagine waking up every day wondering, "What is the Premier deciding today?"

Mr W.J. Johnston: You would have to be the energy minister to be like that, wouldn't you!

Dr A.D. BUTI: True. "What's going to happen today in my portfolio?" Because that is how the Premier operates. The Premier talks about no forced amalgamations; it was like the issue of James Price Point and the self-determination for the Indigenous population, who either had to agree or face compulsory acquisition of their land. How is that self-determination? It is the same mode of operation the government is using in local government. The government is saying, "You either agree to amalgamation or we'll amend the Dadour provision." It is absurd to say that there will not be forced amalgamations because the threat of forced amalgamations is forced amalgamations. Whether the councils buckle at the knees and put up their hands saying, "Okay, we'll do what you say", or whether councils are threatened with forced amalgamations, as the Premier did with Aboriginal people with the compulsory acquisition of native title, that is not self-determination. That is forcing the decision. Anyhow, we got to that stage. What I want to know is, where is the business case that justifies local government amalgamation?

Mrs Michelle Roberts; Dr Tony Buti; Mr Bill Johnston; Acting Speaker; Mr Vincent Catania; Ms Lisa Baker; Mr Peter Abetz; Ms Simone McGurk; Ms Eleni Evangel

Mr J.H.D. Day: The Robson report.

Dr A.D. BUTI: The Robson report! That is not the business case. The Minister for Planning should not be so absurd to say that is the business case!

Mr J.H.D. Day interjected.

Dr A.D. BUTI: Professor Robson is an outstanding individual. I know him personally; there is no discredit of his character. I think he did an outstanding job. However, for the Minister for Planning to say that that is the business model or the business case for amalgamation is really stretching the issue a bit too far. We know how ministers and Premiers on the other side like to take licence with letters and documents. I think the Minister for Planning might be taking a bit too much licence with the Robson report.

Mr J.H.D. Day: Have you ever had a conversation with him about this issue? I think his views are supportive of substantial change.

Dr A.D. BUTI: But this is the point, there may be a case for amalgamation. I do not think members on this side of the house have ever said there should not be amalgamations.

Mr J.H.D. Day: Why don't you just get on with it!

Dr A.D. BUTI: No, no. We are not in government; we cannot get on with it! It is the minister's side of the house who govern, and they still cannot get on with it! Every day is delay, delay, delay. It is not our side. This is the absurd thing about the second term of the Barnett government. Its members keep telling us to get on with it when they are the government. They bring back Parliament early because they had so much legislation to enact; it had to bring forward all these urgent bills. I think there was an urgent bill concerning something about the City of East Fremantle.

Mr J.H.D. Day interjected.

Dr A.D. BUTI: Yes, but I mean an urgent bill. Then, we had a filibuster on the taxi legislation because the government did not have legislation. The Minister for Planning should not tell us to get on with it. He is part of the government; it has the numbers. It could have put this matter on at any time it wanted. It did not do so because members of the backbench were revolting. The Minister for Planning knows very well that the Premier was being rolled on the issue.

Several members interjected.

Dr A.D. BUTI: Government members know very well that on that fateful Tuesday morning, as the backbenchers, and even Minister Hames arrived at the front door to Parliament, TV cameras in front of them, asking them about amalgamations, they knew the answer. The rebellion was on the backbench; the Dadour legislation was not brought into this house because of the government's backbench. It was not because of us.

Mr J.H.D. Day interjected.

Dr A.D. BUTI: It was not because of us. The government has the Minister for Local Government; it has the Premier; it has the Treasurer. If the Minister for Planning wants to do it, bring it on! It had nothing to do with our side. It is all to do with the minister's side. The minister has been a politician for a number of years.

Ms E. Evangel: Three weeks in a row, it's the same story!

Dr A.D. BUTI: I beg your pardon?

Ms E. Evangel: Three weeks in a row and it's the same story!

Dr A.D. BUTI: What? That the government has not done anything. Yes, I know. That is true. It is the same story. The member for Perth and members on her side of the house have not done anything about it.

Ms E. Evangel interjected.

Dr A.D. BUTI: The member for Perth is part of the government that has the majority. She can bring in the legislation; she can pass it. It is as easy as that. If she wants to bring it on, bring it on. It has got nothing to do with our side as to why there has been a delay.

Mr V.A. Catania: Are you going to support the legislation?

Dr A.D. BUTI: What is the member going to leak next week?

Mr V.A. Catania: That you're a twit!

Withdrawal of Remark

Mrs Michelle Roberts; Dr Tony Buti; Mr Bill Johnston; Acting Speaker; Mr Vincent Catania; Ms Lisa Baker; Mr Peter Abetz; Ms Simone McGurk; Ms Eleni Evangel

Mr W.J. JOHNSTON: Mr Acting Speaker, I am not sure if you heard what was said by the member for North West Central.

The ACTING SPEAKER (Mr I.M. Britza): I did hear.

Mr W.J. JOHNSTON: I am just wondering whether the member will be directed to withdraw the remark.

The ACTING SPEAKER: Member for North West Central, I suggest you withdraw the remark.

Mr V.A. CATANIA: I withdraw.

Debate Resumed

Dr A.D. BUTI: Actually, I think the member for Perth was one of the members of the backbench who was rebelling. She is one of the people who did stall the legislation. It is absurd to say that it is our fault that amalgamation has not taken place.

Ms E. Evangel: No, you said that nothing has happened!

Dr A.D. BUTI: It has not. We still have the same number of councils. We have been talking about it for ages. There are new maps every day; the minister does not know what is happening because the Premier has not told him. It is not the fault of the minister, obviously. A few weeks ago during a debate in this house, I think I asked the minister at the time about where the business case is—the former minister, who I am sure is very, very pleased that is he now only the member for Bunbury. Beautiful Bunbury! It is a lovely spot where my mother lives. He then interrupted —

Several members interjected.

Dr A.D. BUTI: No, she did not vote for Johnny; although, they share the same nationality.

Mr N.W. Morton: That's what she tells you!

Dr A.D. BUTI: That is what she does tell me, that is right! He is a good bloke, John down in Bunbury. I said to the minister that he had no evidence that the mergers will bring financial benefits. The minister said words to the effect of, "I can show the member a report right now about Subiaco Nedlands." This actually got into the *Post*, which is the paper of the western suburbs. It is not read very much in Armadale or in the Darling Range. I will quote from the article of 2 November 2013 that was sent to me. It was written by Lloyd Gorman and states —

"[Former local government minister John Castrilli] said that in 2010 a quite detailed 300-page report was prepared on Nedlands and Subiaco.

"Off the mark, it identified \$4.4 million savings a year in the cash available alone, without going into asset management."

The Mayor of Nedlands, Mrs Henderson, disputes that this report actually shows the great benefit that the Minister for Local Government said it would. The article continues —

She said the detailed research and findings of Professor Brian Dollery, of the University of New England, had destroyed the myth that merging councils saved money.

"Dollery's evidence suggests amalgamations don't always bring the savings they are supposed to, ...

"This [the Subiaco–Nedlands feasibility report] is not evidence based at all—it was simply a figure plucked out of the air as the best estimate of KPMG when they did the feasibility study.

"At the time there was absolutely no evidence, we hadn't got down to the nitty gritty of it at all."

Mr G.M. Castrilli: Member, do you mind interjections?

Dr A.D. BUTI: No, not at all, member for Bunbury.

Mr G.M. Castrilli: Do you mean to tell me that you're placing credence on a newspaper article that says KPMG, which is a world-renowned, worldwide accounting body, took—I can tell you how much money I gave to the —

Dr A.D. BUTI: Come on, get on with the interjection. I do not have all day! I have to go to a graduation.

Several members interjected.

Mr G.M. Castrilli: If you don't mind, I am just trying to put it in context. Subiaco and Nedlands came and saw me and asked me for financial help to get KPMG, a world-renowned accounting firm —

Mrs Michelle Roberts; Dr Tony Buti; Mr Bill Johnston; Acting Speaker; Mr Vincent Catania; Ms Lisa Baker; Mr Peter Abetz; Ms Simone McGurk; Ms Eleni Evangel

Dr A.D. BUTI: Okay, that is enough of the interjection; I do not have time. The fact is that that study is an estimate and it did not provide evidence of the benefits that the Minister for Local Government said it did.

Heather Henderson is not the only local government person who disputes that. I will quote an article from the *Examiner*, which of course is a newspaper that the minister and I regularly read. This article from 3 October 2013 refers to the City of Canning's chief executive officer, Lyn Russell. Because I am an honest person, I will admit that she is in favour of amalgamation.

Mr W.J. Johnston: She was in Queensland when they amalgamated councils and then de-amalgamated councils.

Dr A.D. BUTI: Exactly right!

Mr G.M. Castrilli: How many councils in Queensland were de-amalgamated?

Dr A.D. BUTI: I have said some very nice things about the member for Bunbury; he is the former Minister for Local Government and I am sure that he is glad to not be the current minister. Will he let me get on with it, because I and the current minister have to go to a graduation soon at one of our schools?

The City of Canning chief executive officer, Lyn Russell, as the member for Cannington said, was involved in the amalgamation process in Queensland. She believes in forced amalgamations, which was the true position of this government although it went to the election saying there would not be forced amalgamations. The Premier made the member for Darling Range actually —

Mr W.J. Johnston: Eat crow.

Dr A.D. BUTI: — eat crow and say something that was dishonest. The member for Darling Range said something honest, and he was made to retract it. That is a real shame.

Lyn Russell talks about how the government in Western Australia has basically stuffed up the process, but she also states —

“I think reform of local government is a good idea, there are so many ways you can improve local government, ...

“The difficulty is that state governments have seen amalgamation as the only way to reform but if you take an inefficient local government and amalgamate it with another inefficient local government you just get one big inefficient local government.

“Whereas if you do a lot of work around improving the efficiency's of local government you'll probably get just as much benefit than going through a process of forcing it to amalgamate with a neighbouring council.

“I think there is an assumption it is going to save money but when you look at the history of amalgamation of local governments around the world over the last few decades no where —

Member for Bunbury —

has there ever been any indication that it saves money.

“The cost of amalgamation is such a horrific thing for the community to bear.”

She has been through the process in Queensland, and now she is looking at the shambolic situation we have in Western Australia.

The member for Perth has talked about how she has been advocating for the Town of Vincent to be amalgamated with the City of Perth.

Ms E. Evangel: You guys have, too.

Dr A.D. BUTI: I am not criticising; I am saying that that is what the member has been doing—well done on her part!

Ms E. Evangel: We all have.

Dr A.D. BUTI: Why did the member not want the Town of Vincent to amalgamate with the City of Stirling? It was because she did not see it as a natural fit. That is fair enough, but that is what is happening in some of these maps that have been drawn; they are just arbitrary maps. One day Hitler has these maps given to him by Minister Simpson, and the next day he has some more that are completely different! They are done on an arbitrary whim of the Premier and others.

Mrs Michelle Roberts; Dr Tony Buti; Mr Bill Johnston; Acting Speaker; Mr Vincent Catania; Ms Lisa Baker; Mr Peter Abetz; Ms Simone McGurk; Ms Eleni Evangel

I should say that I did not want to refer to the Premier as Hitler; it was in reference to a YouTube *Downfall* clip. I was not actually referring to the Premier in that —

Mr W.J. Johnston: We've all seen the video.

Dr A.D. BUTI: We have all seen the video; I hope so!

The member for Perth was fighting for what she thought was best for her constituents. She thought that the Town of Vincent should be amalgamated with the City of Perth and, as she said, many people on this side agreed with her, including the former Mayor of Vincent, of course, but that is the point. I would like the minister and/or the Premier to tell me and this house that the proposed boundaries are what the residents want. I am sure that is not the case. I am sure that is not the situation in Serpentine–Jarrahdale, where the minister lives. Even though the council is not necessarily popular, I am sure that not all the residents there are happy with the current proposal.

Mr A.J. Simpson: There were 3 000 signatures to go to the Peel region.

Dr A.D. BUTI: But I am sure they are not happy. The minister is splitting them up, though, is he not? They have no choice.

Mr A.J. Simpson: And they want to go to the Peel region.

Dr A.D. BUTI: Will the minister guarantee to me and this house that the amalgamation of the City of Armadale with the majority of Serpentine–Jarrahdale will not result in increased local rates?

Mr A.J. Simpson: The interesting thing that —

Dr A.D. BUTI: No, minister, we can have this other conversation at the graduation tonight. The question I am asking is whether the minister can guarantee that the amalgamation of the City of Armadale with the majority of Serpentine–Jarrahdale will not result in increased rates?

Mr A.J. Simpson: Each council sets its own budget, and they set what they want.

Dr A.D. BUTI: And what would they base that budget on?

Mr A.J. Simpson: It is out of my hands —

Dr A.D. BUTI: What is the budget based on? Will amalgamation not cost councils?

Mr A.J. Simpson: The actual process they go through is that they set a budget that will be appropriate, and that will be the rate increase. The best way I know to put downward pressure on rates is to create economies of scale.

Dr A.D. BUTI: Will the amalgamation process cost councils money? Let us just make it clear for *Hansard*: the Minister for Local Government will not guarantee that the amalgamation of the City of Armadale and the Shire of Serpentine–Jarrahdale will not result in an increase in rates or that the amalgamation process will not have an economic cost on the local community. The Minister for Local Government cannot promise that for any amalgamation. I am just picking that example because, of course, they are the two areas that the minister and I represent.

MS L.L. BAKER (Maylands) [5.48 pm]: Two local governments in my electorate will be directly impacted by local government amalgamations. The first is the City of Bayswater, which is a bit of a golden child of the amalgamation process, because for some reason it has wholeheartedly agreed, after a little kicking and shoving, to amalgamate with the Town of Bassendean, which is interesting in itself. The minister will remember that last week in the house I put a question to him about rates. It is something that residents have been asking me about. I thought it was worthwhile putting on the record that the gross rental value rate in the dollar for 2013–14 is 7.135 for the City of Bassendean and 5.831 for the City of Bayswater. That is a significant variation. I am very aware that in most of the real world, there are very few occasions when governments, local governments or anyone else take it upon themselves to magnanimously lower everybody's rates to the lowest common denominator. It seems to me, and I am sure to other members in the house, that it is much more likely that when two councils are forced to come together and there is this kind of rate differential, all residents will pay more rather than less. That is a matter of great concern to them, and quite rightly so. I know that the minister has acknowledged this, but there is no solution. All he is doing is assuring my residents that they will be disadvantaged by council amalgamations.

In Bayswater in particular, but also in Bassendean, the question of the Swan River arises. On the maps that have been drawn for the amalgamations, the boundary between the councils on either side of the river has been moved to the middle of the river. At first glance, people might think that it is sensible to put it down the middle. The fact of the matter is that it is a very convenient way for the state government to obfuscate its funding for riverbank restoration and to shift it so that it is the remit of the local government authority, which will find itself with a clear boundary in the middle of the river that includes the riverbank. It will be a challenge in itself, given that the Swan River runs right through the middle of my electorate. The Swan River is a hugely valuable asset. I am

Extract from Hansard

[ASSEMBLY — Wednesday, 20 November 2013]

p6338b-6355a

Mrs Michelle Roberts; Dr Tony Buti; Mr Bill Johnston; Acting Speaker; Mr Vincent Catania; Ms Lisa Baker; Mr Peter Abetz; Ms Simone McGurk; Ms Eleni Evangel

absolutely convinced that allowing a mix of agencies to look after the health and wellbeing of the river, after the amalgamation of the Swan River Trust with another major department, will be to the detriment of the Swan River, which runs the length and breadth of our capital city. This is a matter of extreme concern. I know that the former Mayor of Bayswater is on the public record questioning what will happen after the amalgamations. Although he is happy to see Bayswater and Bassendean come together, these questions are unanswered.

The other huge challenge in these amalgamations is what will happen to staff. A number of my friends who work in local government authorities will be impacted by these amalgamations. They are facing two years of transition and of not knowing whether they will have jobs. When two councils come together, it is clear that two human resource managers, two parks managers, two heads of community services or two directors of finance are not needed. It is far more likely that one of those positions will be made redundant. This will have a significant impact on hundreds of workers across our state. I am not hearing from any bleeding hearts on the minister's side of the house on this issue. I am hearing from my friends who are in an extremely uncertain environment and are feeling very much abandoned again by the state government.

The government has already taken away some of the authority of local governments to make decisions on planning matters. I have been at the blunt end of the development assessment panel process a couple of times in arguing against big destination liquor outlets coming into the electorate. It is optional for decisions on projects valued at between \$3 million and \$7 million to go to a DAP, but it is compulsory for projects valued at over \$7 million. These decisions can no longer be influenced by the community or local governments to the extent that they were. I can understand how a conservative government would think that it would be good to take the decisions about big development projects out of the hands of little parochial local government authorities, but that is not what people feel on the ground. This is where they live and this is where they are focused. There is a great deal of resentment in those who have come face to face with what the DAP is doing. The most recent example of that is the planning proposal to build 94 units on Beaufort Street, Inglewood. It is the first major development proposal for that section of the Inglewood town precinct, so of course it will be met with some concern by constituents. Two Saturdays ago, 70 constituents came together and sat in front of the developers and ward councillors and discovered that the decision about building these units would not be made by their own councillors and that it would be made by an unknown body. People are quite passionate about these issues. They are quite focused on the fact that they have lived in the area for 32 years and they know that development has to occur, but they want a say, they want to be consulted and they do not want these decisions to be taken out of their hands. That is simply a Big Brother step, and it is not okay.

I now want to move to the City of Stirling. I am sure that all of us have received a multitude of submissions from the local government authorities that we represent, as well as those that we do not. Many country shires wrote to me before the government decided to do a deal with the National Party to not involve country shires in these amalgamations. That point was very loudly vocalised by residents at the community consultation session for the City of Stirling that I attended. They wanted to know why they were being subjected to forced amalgamations but the regional local government authorities were sitting pretty through this. There is a great deal of resentment. Regardless of whether members think it is important, I clearly put it on the record that people are not fooled by this pretence. People in my electorate are very aware of what is being done to them, and they are very angry about it.

I have mentioned the GRV rate in the dollar. I want to mention the rate for the City of Stirling, because in its submission to the minister, the City of Stirling made an assessment of its services, the decrease in services and the increase in its rates as a result of a forced amalgamation. I have a letter from David Boothman, the former mayor, which indicates that that local government offers 210 services to the community, including recreation centres, libraries, home and community care, waste services, security services and events. It goes on to list numerous valuable services. He then provides information that the increase in rates will be dependent on the rating structures adopted by local governments, but, as it currently stands, the City of Stirling's rate in the dollar is lower in comparison with the rates for both its eastern border neighbours. I have already put on the record the rates for Bassendean and Bayswater, but I will say it again and I will include the rate for the City of Stirling. We are not looking at a two-way disadvantage now; we are looking at a three-way disadvantage. The rate for the City of Bassendean is 7.135, the rate for the City of Bayswater is 5.831, and the rate for the City of Stirling is currently 5.277. That is obviously a lower GRV than those in the other two areas. It definitely means that there will be a significant change in the rates for everybody living in the City of Stirling. I think the minister will agree that the City of Stirling has a very good track record in financial management.

Again, I will refer to a submission from the City of Stirling. This is not information that I have come up with myself; this is from the city itself. The city claims that the City of Vincent's record is different from its financial management record. The City of Vincent has an approximate debt of \$21 million, which relates to loans for facilities in the area north of Bulwer Street, including Beatty Park Leisure Centre, which carries a debt of approximately \$7.8 million. The City of Stirling assumes that this significant sum will be transferred to the

Mrs Michelle Roberts; Dr Tony Buti; Mr Bill Johnston; Acting Speaker; Mr Vincent Catania; Ms Lisa Baker; Mr Peter Abetz; Ms Simone McGurk; Ms Eleni Evangel

authority that operates the centre once the amalgamations are complete. Upon further investigation, the City of Stirling found out that there are significant running costs relating to the ongoing operation of the Beatty Park Leisure Centre, and that it is running at a loss of \$140 000 a month, which is \$1.86 million over a year. I can just imagine how happy—I am being sarcastic here; I know Hansard will not pick that up—the ratepayers in the City of Stirling will be for the council to lose a significant amount of its rateable property and to gain this kind of extraordinary debt level. The City of Stirling would lose approximately 10.83 per cent of its rate income under the minister's plan. If that debt is associated with running costs, which are also inherited by the city, it will have a major impact on the City of Stirling's financial viability.

I am not sure how it is fair to take a city that is healthy, running well and financially sustainable and pass over to the ratepayers and the management of that city an ongoing debt of \$1.6 million a year, in addition to the \$21 million debt. Then the council will turn around to all the people living in that local government area and put up their rates to 7.135 gross rental value in the dollar. One of the options is that the council does not go ahead with some its major redevelopments, which I will put on the record. I am sure the minister knows what they are, but I would like everyone to hear. The City of Stirling knows that in its case an amalgamation will result in fewer services and higher rates to residents. Major projects—such as the Scarborough redevelopment, costed at \$60 million with \$30 million from the state and \$30 million from the City of Stirling; the Stirling city centre, costed at \$16 billion; and Herdsman parking, costed at \$65 million—will require significant investment from the city. Those projects will not be able to go ahead in any way, shape or form under these changes. In other words, significant re-engineering of all those major projects would be required immediately. That would be the minister's legacy to the residents in those local government authorities; his legacy would be reduced services and increased rates. He will, potentially, make a financially viable local government authority bleed and lose money and become unprofitable.

I would like to talk about the community consultation that has occurred around the City of Stirling forming these views. The Stirling city council has conducted a number of consultations. It had an overwhelming 1 582 people responding by vote on the city's website and 92 per cent of them said that they would prefer to stay in the City of Stirling, knowing what we know about potential debt amongst the services and loss of services. There were public rallies in Mt Lawley and Dianella, one of which I attended with the Speaker of the house. I should point out that the City of Stirling recognises that at that event both the member for Mount Lawley, Hon Michael Sutherland, and I spoke in strong support of the city's proposal to retain its eastern boundary. We have had 2 800 signatures on petitions to stay in Stirling that have been tabled in this Parliament. Another group that is very concerned is the Woodlands Action Group. I am sure the minister has heard of this group. It is a western suburbs community group concerned about the amalgamation. The issues that they raise are quite environmental in nature and they are particularly concerned that the government has not addressed the environment, in particular the management of the coast and the dunes. The group says that that should be under one council to ensure that the expertise to deal with beach erosion, access and development is all together. That is a very different proposal from the ones that the minister has received; the group asks why are we not looking at northern and southern limits, possibly from North Fremantle to Ocean Reef or from Ocean Reef to Two Rocks, to ensure that the coastal areas are managed in a sustainable and fair fashion? The Woodlands Action Group is also concerned about cultural identity of the areas. The Mount Lawley Society also spoke about that in some detail when it held its consultations. The society is very concerned about the government's commitment to heritage as shown by the work it has done with the City of Stirling. The society says that the City of Stirling's investment in heritage and culture is significantly more effective than that commitment that it has seen in the City of Bayswater.

[Member's time extended.]

Ms L.L. BAKER: I apologise; I am well aware that I should be in the chair. I will not take 10 minutes.

The final points that I want to raise after mentioning the heritage issue is the funding available for these organisations to transition. As far as the City of Stirling and I know, what is on the table at the moment is \$200 000. The transitional arrangements for bringing two major employers together would take at least two years to bed down in any way. We start to think about what we would do with the double up of staff. We could offer redundancies. Senior managers in local government can earn a couple hundred thousand dollars. The redundancy package for one person in one LGA is likely to take up that entire \$200 000. We can say goodbye to that. On the City of Stirling's estimates of the potential cost to ratepayers and to the city, it will cost them between \$40 million and \$200 million to transition in this fashion proposed by the government.

I have just gone through some of the points that my constituents have met with me to discuss; there are many more. The minister has heard comments from my colleagues about the relative inconsistency of this process, the fundamental flaws in it; and the fact that, long term, it is extremely clear from every country jurisdiction that has attempted this kind of rationalisation, it does not save money and it does not work. Most are withdrawing and backtracking. In conclusion, this is not the way to go. The government is destroying good community spirit and

strength and exchanging it for large oligopolies that I doubt will do anything other than charge more rates and offer fewer services.

MR W.J. JOHNSTON (Cannington) [6.08 pm]: I rise to support the motion, which reads —

That this house condemns the Barnett government for creating chaos and confusion amongst local governments with its shambolic and dysfunctional council amalgamation process.

I begin by pointing out that my electorate straddles two local governments—the City of Canning and the City of Gosnells. The City of Canning will be cut up into four pieces and the largest of those four pieces will be amalgamated with the City of Gosnells. I also want to emphasise that this is not council reform; the council will be doing exactly what it does today after the amalgamation. These are compulsory council amalgamations. It is not as though the government is acting on the Public Accounts Committee’s fourth report of the thirty-seventh Parliament, titled “Local Government Accountability in Western Australia”, which made very detailed recommendations about accountability procedures in local government. That report of this Parliament has been ignored. If the government really wanted to do a bit of local government reform, it would look at that report and take action to ensure that changes were made to the way in which local governments operate and are held accountable in Western Australia. That would be local government reform.

Another thing the government is not doing is telling us what its failure standards are and what it is trying to get out of this process. It is very easy for the government to say that it wants to reduce the number of local governments. We are never quite sure how many local governments the Premier wants in Western Australia. The Premier often quotes a figure of 130 local governments. Almost all those local governments are in non-metropolitan Western Australia and are not subject to this amalgamation process. In fact, according to the former Leader of the National Party, cabinet has agreed that those regional local governments will not be included in this amalgamation process. From 130 local governments we might end up with 126 local governments. If the Premier is saying there are too many local governments in Western Australia, cutting the number by a handful will not make a great difference. If the vision of the Premier is just to cut the number of local governments by a handful, that is not reform. What I cannot understand about this whole process is why there is no genuine reform of local government.

I have spoken previously in this place about mission creep. We know that this has been a problem in local government. Local government leaders tell me the problem is that the state government will not take up its responsibilities. Therefore, councils hire security patrols at night, because they say there are not enough police officers on the beat. They also set up shelters for people in domestic violence situations. That is a very important need. But what they are doing is simply forgiving the state government for not doing its job properly. If there is a need for additional police resources, it is up to the state government to provide those resources. If there is a need for additional resources to deal with the very important issue of domestic violence, the state government needs to stump up and provide those resources. Councils are forgiving the state government for its failures by loading the costs onto ratepayers. As we can see from America, where schools are funded based on property taxes, property taxes is not a good way to get an equitable outcome, unless the authority that is spending the money is much larger than the local authority. Local council rates, which are a property tax, are intended to fund only the basic services that are needed in each community. Once we go beyond that, we are using a tax that is not suitable to redistribute the burden of taxation across the community.

I will use the City of Gosnells to illustrate that point. The City of Gosnells is a substantial city with a large population base. However, a lot of the land in the City of Gosnells is not high-value land. That can be compared with some of the western suburbs local government authorities, which have a much greater capacity, with their higher land values, to fund the operations of their council. It is interesting that there has been a lot of discussion about the proposal for the City of Subiaco and the City of Nedlands to amalgamate. As I understand it—I do not have particularly detailed knowledge—when the City of Subiaco did its due diligence, it found that the City of Nedlands had been living off the depreciation of its fixed assets for a long time. The City of Nedlands’ asset base did not match its income base. That effectively means that the reserves of the City of Subiaco would have to be used to subsidise the ratepayers of the City of Nedlands, who have been enjoying lower dollar value rates because the council has been allowing its fixed infrastructure to depreciate and not be replaced. These are the sorts of things that are happening with this amalgamation process. There is no proper accountability.

I have made the point that the high-value residential land in the City of Canning will be hived off to the City of Melville. The City of Melville has a long history of problems with its financial management. It is one of the councils that invested in the heritage fund that lost millions of dollars. There have been court cases, and there is quite a famous action that has been going on for a number of years now. That is an example of the ill-thought through processes of that local government. It is interesting that in the last term of Parliament, the Treasurer actually used that local government as an example of bad management. The City of Canning will be cut up and

Mrs Michelle Roberts; Dr Tony Buti; Mr Bill Johnston; Acting Speaker; Mr Vincent Catania; Ms Lisa Baker; Mr Peter Abetz; Ms Simone McGurk; Ms Eleni Evangel

the high-value land will be hived off to the City of Melville to subsidise the problems created by the management of Melville.

The City of Canning will also lose the rate base from the industrial land in Welshpool, because that will be given to the proposed Belmont–Kalamunda amalgamation. That is because the government wants to curry favour with those two councils to get them to agree to that amalgamation. There will also be the splitting of Wilson and the division of St James and Bentley to South Park. The result of that, with the amalgamation of the remaining part of the City of Canning into the City of Gosnells, is that the residents in my electorate who reside in the current City of Canning will have at least a 28 per cent rate increase. That is what this government is planning for the residents of Queens Park, East Cannington, Cannington, Lynwood and Ferndale. Their rates will go up by more than one quarter. What a great reform that is, minister! No wonder the minister is being burnt in effigy out my way!

Mr A.J. Simpson: Who has said that it will be 28 per cent?

Mr W.J. JOHNSTON: That is exactly what the City of Canning calculated will be the effect of this amalgamation process.

Mr A.J. Simpson: How did it come to that figure?

Mr W.J. JOHNSTON: The minister would have to go and ask the council. If that figure is wrong, what is the correct figure, minister?

Mr A.J. Simpson: I have not done the numbers on the figures.

Mr W.J. JOHNSTON: Empty vessels, minister! If the minister has no information, do not contribute. When the minister knows something, come back and talk to me. When the minister has done his own calculations, come back to me and dispute the figure.

It is interesting that in the last Parliament, the government funded local governments to create a strategic community plan. I was one of the people invited by the City of Canning to participate in the workshops to do with that plan. A document was produced called “Canning Futures: Sector Group Workshops — Report of Findings”. All local governments were funded by the state government to do these reports. Where is the action arising from those reports, funded by taxpayers and by the Barnett government before the 2013 election? What is the result of all that money that the government tipped into that process? Where is the feedback? Where is the decision-making process that will take account of the demands of those reports? It does not exist. There is not any. That has all been junked.

The government talks about the Robson report. I have read the Robson report. Where are the local government voting system changes that were recommended by Robson, which were to dump the first-past-the-post voting system for multimember electorates? The only state in Australia that uses first-past-the post in multimember electorates is Western Australia. Robson recommended against that. Where is the action on that report? The minister talks about the Robson report. Why does he not act on the Robson report?

Mr A.J. Simpson: The sector did not want it.

Mr W.J. JOHNSTON: The sector did not want it? The sector does not want these amalgamations, yet the minister is still going ahead with them. The problem with this government is that it does not have a plan. It is a shambles. It does not know what it is doing or where it is trying to get to. It keeps talking about reducing the number of councils, yet it is cutting the number by only a handful. The largest number of councils, and arguably the ones with the most challenging financial circumstances, are those in regional Western Australia. But the Premier is not touching them. He is too scared to do local government reform in regional Western Australia. Like most of the things that happen with the Premier, he has no ticker. He is not prepared to do the hard work, and he is not prepared to stand up and do anything, but he is happy to take the easy options. It is interesting to go back and look at the Dadour provisions. Why were the Dadour provisions included in the Local Government Act? It was because the Liberal Party said that the Labor Party could not be trusted not to do forced amalgamations. That is where it came from. The Dadour provisions were a political fix by the Liberal Party so that it could pretend it was somehow going to protect the people in local government areas from forced amalgamations by the Labor Party, but now Liberal Party members come into the chamber telling us that they are going to remove them. Talk about hypocrisy! There is no genuine reform of local government, there is no plan and there are no outcomes. The government says it is not going to change the voting system. Councillors are currently elected by an undemocratic electoral system, but the government does not want to change that undemocratic electoral system and it will force amalgamations even though the sector does not support that. It does not add up. What will happen for my community is higher rates and less democracy. There will be 10 councillors for a city that by 2022 will have 230 000 residents. There will be 230 000 residents with

Extract from Hansard

[ASSEMBLY — Wednesday, 20 November 2013]

p6338b-6355a

Mrs Michelle Roberts; Dr Tony Buti; Mr Bill Johnston; Acting Speaker; Mr Vincent Catania; Ms Lisa Baker; Mr Peter Abetz; Ms Simone McGurk; Ms Eleni Evangel

10 representatives on the council. That is ridiculous. It is not a good idea. It is denying democracy to local governments and to ratepayers in that area.

I turn to the shambles of the planning process in Western Australia. The government says it has introduced development assessment panels. I remind everybody that on 27 May 2010, the Minister for Planning released the Burswood peninsula draft district plan and he invited the community to comment on that plan. In a media statement, he predicted that up to 20 000 residents would be living on the Burswood peninsula. Submissions on the plan closed on 30 July 2010. I am not aware that any of the submissions on that plan suggested construction of the stadium on that site. All that planning work was junked because the Premier was driving in from the airport and said that he wanted to build a stadium on Belmont Park Racecourse. Unfortunately, it was on 29 January 2011 in an article in *The West Australian* that he stated he wanted to build the stadium at Belmont Park Racecourse. It was not part of some plan that had been worked on by the Minister for Planning in his announcement in May 2010, and it was not suggested, as far as I am aware, by any of the submissions to the plan by 30 July 2010. It was just a thought bubble; it was not part of a structured process. On 28 June 2011, the Premier then announced that in fact he was not going to build the stadium on Belmont Park Racecourse but across the road on Burswood Golf Course. Therefore, in a period of 13 months, the same government changed its mind on the use of the Burswood peninsula from planning for 20 000 residents to wanting to build a stadium. Where was the planning process? Where were the structured plan and the consultation? One of the problems is that the Premier sees consultation as a weakness. Consultation somehow is not what this government does; it ignores the community and just makes decisions and gets on with it. That is how we end up with bad decisions. Bad decisions are made in that process and that is what we are dealing with today. Residents in my electorate who currently reside in the City of Canning will have their rates go up by a quarter.

Another issue that residents in my local area raised with me is about access to services that are currently provided by their council. If a facility is transferred to the City of Melville or the “City of South Park” or whatever, what guarantees of access to those facilities do they have in the future? The government says that there is no reason that they will not continue to have access to those facilities, but the government cannot guarantee that because those facilities will be transferred. Those assets will become the property of another council and the rules about accessing those facilities will be made by the council to which the asset is transferred. The government cannot give any guarantee that there will not be increases in prices and changes to eligibility criteria. The City of Canning has a long history of providing high-level services for aged people. What are the guarantees that the other councils to which the people are transferred will have the same sort of attitude? There cannot be any guarantee from the government and it has some mealy-mouthed words to try to cover up the fact that it cannot and does not make any guarantees. However, it pretends that it is somehow responding to the community. I congratulate the member for Perth for joining with the Labor Party in the campaign to have “one in, all in” for the City of Vincent. It was good for the member to join the campaign that the Labor Party and others were running. It is a pity that the rest of the cities in the metropolitan area will not be given the same right to have their residents listened to. The arrogance of that demonstration by the Premier that he is prepared to help out a marginal Liberal seat holder but he is not prepared to take account of the interests of residents across the metropolitan area demonstrates the fact that this whole process is a sham.

[Member’s time extended.]

Mr W.J. JOHNSTON: I received in the mail the other day a document from Local Government Managers Australia WA titled “Committed to Better Local Government”. It was very interesting to read through the LGMA’s introduction and its principles for achieving local government reform. It talked about evidence-based change and the measurement of outcomes. It would be great if the government actually wrote down some of the evidence that it is working on and put down some of the measurements for the outcomes it is expecting. The LGMA talked about systemic reform. The document states —

Structural reform is only one element of broader meaningful reform in the local government sector. As part of the reform program other proposals should be considered and implemented that will support ongoing improvements in local governments.

I agree with the LGMA; it is just a pity that the government does not. I do not understand why the government rejects the professional advice that it gets from the local government sector and just concentrates on this one issue of the size of local government rather than ask whether there is an opportunity for genuine reform. I note page 5 of the LGMA’s document, which outlines the LGMA’s principles in detail, states —

A clear commitment to employment certainty and career opportunity for local government employees involved in amalgamation or re-organisational reforms. Where this is not possible, appropriate and acceptable compensation must be provided equitably to all.

...

Mrs Michelle Roberts; Dr Tony Buti; Mr Bill Johnston; Acting Speaker; Mr Vincent Catania; Ms Lisa Baker; Mr Peter Abetz; Ms Simone McGurk; Ms Eleni Evangel

Where Local Government officers are unable to be offered an equal role, in both pay and responsibility, to that which they held prior to and as a result of an amalgamation, they should be offered a 2 year contract redundancy as appropriate compensation for the impact of structural change on their career. This provision should be offered to all staff with ongoing employment contracts to ensure equity and fairness.

It will be interesting to see the government's response to that call from the LGMA. It will be interesting to compare the LGMA's requests with the way the government treats its own employees under the Workforce Reform Bill 2013 that has been placed before Parliament here in Western Australia. We will all be looking at this. This is an opportunity missed for this Western Australian government. There is no actual reform; all we are doing is reducing the number of metropolitan councils by a small amount. There is no structural reform, no change to operations and no following on from the Robson report—nothing; it has all been rejected for this one issue and that is why the government is a shambles. From Tony releasing the wrong maps to the lack of focus and the lack of outcomes, we have got—I was quoting a video!

The ACTING SPEAKER (Ms L.L. Baker): I do not think you should; I think you should refer to members in the house by their correct title, member.

Mr W.J. JOHNSTON: I do not know that it was the minister's fault that the maps were released, so I cannot blame him, but it was a funny video. The minister and I had a chat in the courtyard, and even he thought it was a funny video.

Mr A.J. Simpson interjected.

Mr W.J. JOHNSTON: Yes. That was somebody else, minister.

The ACTING SPEAKER: So was it not the minister that you were referring to, member?

Mr W.J. JOHNSTON: Yes, it was this minister.

The ACTING SPEAKER: You had better call him by his proper title.

Mr W.J. JOHNSTON: Yes. I cannot say that the minister was responsible for releasing the maps, even though that was the accusation in the video. Anyway, we can see that this is not reform and should be rejected.

MR P. ABETZ (Southern River) [6.30 pm]: I will make a very short contribution to this debate. Like the member for Cannington, my electorate straddles two local governments: the City of Canning and the City of Gosnells. I have the unusual situation that the suburb of Canning Vale is partly in the City of Canning and partly in the City of Gosnells. For a house of the same value in the City of Gosnells, a person pays significantly higher rates. Why do they pay significantly higher rates? It is not because the City of Gosnells is incompetent and that the City of Canning is very smart and clever. The reason is purely historical, because the WA Planning Commission, in its wisdom, at some stage determined where a big industrial area would be located, and the Canning Vale industrial area happens to be in the City of Canning. The Canning Vale industrial area is a great cash cow of rates for the City of Canning. The City of Canning also has the Carousel shopping centre in it. That is not through some wisdom or expert decision that the City of Canning made historically; it is just the way the cookie crumbled, so to speak. Added to the situation, because Gosnells is generally a slightly lower socioeconomic area, land values are a little lower, and therefore charities tend to put their facilities in the City of Gosnells. Those charities are exempt from paying rates, so it puts more upward pressure on rates. The issue is one of actual justice. I believe it is absolutely paramount, when we look at local government amalgamations, that we think about balancing the amount of rate-raising industrial area and commercial property so that it is roughly evenly divided between the local government areas. I may not be looking at the very latest map, but certainly the City of Gosnells is basically staying intact and will absorb a part of the City of Canning, so the result will be, as the member for Cannington said, that for those people who are currently in the City of Canning and who will become part of the enlarged, shall we say, City of Gosnells, there will be upward pressure on their rates. That is inevitable. But I would argue that that is necessary for the sake of justice. For the people who live in the current City of Gosnells, there will be downward pressure on their rates, because the Canning Vale industrial area and the Carousel shopping centre will come across into the enlarged City of Gosnells. There is actually justice in that. The people in the City of Canning who have had significantly lower rates, to the tune of hundreds of dollars a year, have enjoyed that luxury, but it was not their birthright. I believe that as a community we need to share the burden of the rates that we pay fairly and evenly.

I had the privilege of living in the City of Canning for many years—we owned a house there—and we enjoyed significantly lower rates. We now live in the City of Gosnells, in Southern River, and the rates are significantly higher. But I believe that, in fairness to the residents of the City of Gosnells, we need to have this readjustment and have a balance of commercial property within local government areas. Although I am not that familiar with all the other parts of Perth, I hope that has been taken into account when rejigging the boundaries of the different

Mrs Michelle Roberts; Dr Tony Buti; Mr Bill Johnston; Acting Speaker; Mr Vincent Catania; Ms Lisa Baker; Mr Peter Abetz; Ms Simone McGurk; Ms Eleni Evangel

councils. I have read the Robson report, and it was mentioned in that report that that should be one of the objectives of local government reform.

I would like to make one other comment in passing. I have made it in the chamber before but I will make it again. We lived in the City of Geelong for four years from 1980 to 1984. The City of Geelong was made up of, I think, about eight or nine tiny councils, each trying to do its own little thing. There was no overall planning, and it was quite problematic. Each council was struggling, and no decent projects could get underway. Shortly after that time—it was in the late 1980s, if I remember rightly—the Kennett government forced amalgamations and now there is the City of Greater Geelong as the one local government area. Our son lives in Geelong with his family, and I can assure members that not one person in Geelong would want to go back to having nine local government areas in the City of Geelong. People have seen the great advantage that it is. Whether the rates have gone up a little bit or down would vary, obviously, from one of those little councils to another. But the issue is what it has done for the city. The City of Geelong has really moved forward. The council of the City of Greater Geelong is having a few bunfights at the moment; there are a few factional issues and things, but councils tend to have that from time to time. Whether it is a larger council or a larger geographical area that the council manages or a smaller area does not prevent those kinds of things from happening. The City of Canning is currently suspended, I think the word is. It is the third time that that council has been sacked. It happened in the 1980s and in 1991, I think, and it happened again last year.

Mr D.J. Kelly: They kept their rates down.

Mr P. ABETZ: It did not keep the rates down. It was the Canning Vale industrial area and the Carousel shopping centre that kept the rates down. I must say that the City of Canning had excellent staff, although many of the senior staff fled from the council because of what was going on and it lost some exceedingly capable staff, which is unfortunate. That is my little contribution, and that is why I will not support this motion.

MS S.F. MCGURK (Fremantle) [6.37 pm]: I have a couple of points to make on this motion. As members of this house would know, Fremantle and Fremantle's fortunes have been at the centre of this discussion. The original proposal was to amalgamate the Town of East Fremantle with the City of Melville. That had people in my electorate alarmed for a number of reasons, not the least of which was that that proposal seemed to be in direct contradiction of existing government policy, particularly key policy directions such as "Directions 2031: Draft Spatial Framework for Perth and Peel", which identified Fremantle as a strategic regional centre and a metropolitan attractor. People were very concerned about that original council amalgamation proposal. Under that first proposal, there was to be a massive council that included three strategic centres. Those strategic centres are the centre of Fremantle; the Garden City Shopping Centre district, with the council buildings; and the Murdoch centre, with Fiona Stanley Hospital and the university et cetera, which is a major centre in itself. While it is good that the minister has listened to those concerns in Fremantle, and the latest maps show and the government's position is that the City of Fremantle should be maintained, the system of change that the government has adopted in this policy area has done nothing to create certainty or allay people's concerns. In fact, it creates concerns anew.

The residents of the Town of East Fremantle feel completely disenfranchised by this process. Across the state and, I guess, across many countries, people are feeling disaffected by politics and removed from the political process, and Australia and Western Australia are not immune to that. This process will take away any ability for people to have a say in their local government boundaries, and it has only fed people's cynicism about decisions being taken out of their hands and the sense that it does not really matter what they think; governments will make decisions regardless. During this debate a number of members have raised the incredible situation in which the Premier and the Liberal Party said very clearly that there would not be forced amalgamations, but everything in this process points toward there being forced amalgamations; no-one is under any illusion that there will not be forced amalgamations through this process.

My other concern about the current process is that it is divisive between councils that usually work very cooperatively with each other. A good example of that in my area is the South West Group of local authorities. It is a group that represents the Cities of Cockburn, Fremantle, Melville and Rockingham, and the Towns of East Fremantle and Kwinana. For a couple of years now they have worked together strategically on some key infrastructure projects and policy directions that they believe state governments need to address, regardless of political persuasion. They quite rightly argue that the south metropolitan region is a major economic driver for this state, and there needs to be proper regard for infrastructure projects. For instance, they are very frustrated at the lack of planning and decision-making around the outer harbour—that is, the harbour that will supplement the Fremantle Port Authority. They are also frustrated by the lack of any budget allocation for a replacement traffic bridge in Fremantle and, particularly, freight and transport infrastructure decisions. The South West Group does a lot of work; in fact, I went to a transport forum that it ran recently at which all those councils were represented. Senior people from the departments of transport and planning were asked to speak about the strategic issues of

Extract from Hansard

[ASSEMBLY — Wednesday, 20 November 2013]

p6338b-6355a

Mrs Michelle Roberts; Dr Tony Buti; Mr Bill Johnston; Acting Speaker; Mr Vincent Catania; Ms Lisa Baker; Mr Peter Abetz; Ms Simone McGurk; Ms Eleni Evangel

that region, and that is all good; that is what we want councils to be doing: to work together, to look at medium-term issues, and to try to lobby and get the government to focus on medium-term issues related to their areas. It is my real concern that the method for change of local government boundaries could, in fact, put that cooperation at risk.

If I did not think that before, I certainly did when I saw the latest version of the map. While Fremantle's position with regard to council boundaries was vindicated in the latest version, a neighbouring council, one in which I have some constituents—Cockburn—was thrown into complete disarray. It had no idea that the sorts of issues that it is going to have to deal with were coming down the track; perhaps it was wrong not to examine those possibilities, but it really has been caught out and frustrated by the current process. The City of Cockburn has every reason to believe that it has done the hard yards in respect of putting in place major investments within its boundaries; one has only to go to Cockburn Central to see that. The investment that is going on in Cockburn Central is remarkable, and that council in general has done some really fantastic work. However, all that development is now being put on the backburner while it tries to address the question of its boundaries.

A good example of the uncertainty that is created by the current process and why the opposition is critical of it is the question of what is going to happen to the Fremantle Football Club—the Dockers. Will they now move to Cockburn if there are to be redrawn boundaries and a new council? I see the minister indicating his preference for them to move back to Fremantle; many of us would like to see that happen, but who knows what will happen? The proposal for the Fremantle Dockers to move to Cockburn involved a major financial commitment—more than \$60 million—of the City of Cockburn's money. While the City of Cockburn and the Fremantle Football Club are both maintaining a stiff upper lip and saying, “Nothing's changed; we're going to go ahead as usual,” anyone would be crazy to think that the redrawing of the boundaries and this process will not call into question what is going to happen with that move.

That also has knock-on effects for Fremantle. The Dockers are obviously currently based in Fremantle and now that there is uncertainty, the site that the Dockers currently hold will need to be developed, and we are now uncertain as to whether the Dockers are going to stay or go. I am not saying that I have any more information than is in the public arena, but as I say, that is a good example of the chaos of this process. In fact, one could say that for the people at the centre, this is a maelstrom created by the local government reform process.

The minister said that he had listened to and consulted with people and had made adjustments, and those adjustments are welcome; but there was not a clear process from the beginning. Just last March the government said that it would not force amalgamations, so the people involved in local councils and all the projects that go along with them are feeling uncertainty around key projects.

For all those reasons, I support this motion. I believe that the government is creating chaos and confusion among local governments, and I have experienced that confusion at first hand in my electorate.

MS E. EVANGEL (Perth) [6.47 pm]: I rise to say that I will not support the motion before the house and that in my speech this evening I will be focusing on the actual topic—that being the council amalgamation process. I believe that there has been quite a bit of confusion on the other side of the house, given all the references to the process being non-existent or not being adhered to. However, I am going to speak in praise of the process because I believe it has happened in a very coordinated manner, beginning with the engagement of Professor Robson. As we have heard, he is a highly acknowledged academic, recognised nationally for his work, and praised earlier by the member for Warnbro. He led the Robson review, which is the basis for moving forward with local government amalgamation and reform. That is the basis for the minister moving forward and proceeding with the amalgamation process.

That was the beginning; the first part of the process. On 30 July, we saw the first draft proposal which, in a way, began the public debate on the amalgamation process. I will not stand here and say that I was by any means happy with that first draft; I was not. I was actually quite distressed by it, as were many people in my electorate of Perth. As a community, we did not want to see the City of Vincent split in two and destroyed, because it has been a very successful council and to its credit it has serviced the people of Vincent to its utmost best. I think people would be struggling hard to find a ratepayer who has not been happy with the City of Vincent over the last 20 years of its existence. I was not pleased with the first proposal, but that was part of the process of local government reform, which was three months ago. That proposal launched the debate so that all councils across the metropolitan region could look at what the government proposed and collectively decide whether they would be happy with it. If not, they could argue what they perceived was the best outcome for them. I cannot speak for other people's councils, even though a few members opposite seem to think they are experts on my council. That is fine, I guess, but I will focus on my electorate, and, indeed, that first proposal was not the one we intended to support. I certainly advocated in this chamber and to my constituents that I would not support the first draft of

Mrs Michelle Roberts; Dr Tony Buti; Mr Bill Johnston; Acting Speaker; Mr Vincent Catania; Ms Lisa Baker; Mr Peter Abetz; Ms Simone McGurk; Ms Eleni Evangel

the proposal on 30 July. I had conversations with the Minister for Local Government and quite openly expressed my view that it was not the best thing for my electorate. I spoke to the Premier and he knew quite well I would not support it. They could not hide from the fact that my electorate would not be happy with that first proposal.

That became the impetus for community consultation, and I must admit that we did that very well. The one in, all in campaign was driven and funded, I believe, by the City of Vincent. I heard in this place tonight that the Labor Party drove it. It is quite confusing because I am sure I read in the City of Vincent's minutes that it approved \$40 000 or \$45 000 to initiate and drive that campaign. I am sure I did not read in those minutes that the Labor Party was driving the one in, all in campaign. However, to be 100 per cent sure, I can check that.

Mr D.J. Kelly: It certainly wasn't you.

I certainly supported it from day one. I quite happily stood up at the two rallies held in my electorate and very early on expressed the view to the electorate that I would support my constituents—my ratepayers—as I am doing in this house on, I think, the third occasion now. Indeed, I have been a very strong advocate for my electorate and for the one in, all in campaign, which lasted for a good three months. I congratulate my ratepayers for taking the time to email me, the City of Perth and the City of Vincent. It is a community that cares for one another, that engages in what happens in our precinct, and together we have worked towards that common goal. I can proudly stand here, member for Bassendean, and say that I was a very integral part of that campaign.

We saw three months of very intense debate and discussion, the purpose of which was obviously to have changed the first proposal that did not suit my electorate. We sought to have the City of Perth encompass the whole City of Vincent because that is what the electorate was saying it wanted. The fact is that Vincent is not a handicap; it is an asset. We realised very early on that we were not welcome in either the City of Perth or the City of Stirling. I guess we can understand the City of Stirling's view because we do not have much in common. Vincent is a vibrant inner-city community. It has an urban village style of living with all its cafes, restaurants and small bars. The increased plot ratio has seen high-density development. I have noticed, particularly over the last five years, the increased urban infill. If we drive north from the centre of the city, it feels as though the amalgamation between the City of Vincent and the City of Perth has already occurred, but the official boundaries have not been extended. If someone who had no idea of the boundaries stood midway along Beaufort Street, they could quite easily feel as though they were in the City of Perth. From the City of Perth up to Walcott Street there is a city environment. It does not feel like the suburbs; it feels like the city. That change has occurred naturally through growth, I guess. It therefore makes complete sense for the City of Vincent to be merged with the City of Perth. That way, the smallest capital city of Australia, the City of Perth, with its eight kilometre radius, has an opportunity to grow, and leading into the future, that is a very important outcome.

We are at a stage now in this state and in this city of embarking on major public transport infrastructure. That is another critical reason for Vincent and Perth to merge and become a greater City of Perth. For the light rail to run down Fitzgerald Street, we will need to work through a lot of issues. It is important in terms of growth that we get on the same page and start planning our city for future generations. I am really proud to say that this government listened to the people of Vincent. It was great because the Premier took the time to come and experience the Vincent vibe. If anything, I guess my small achievement in this process was that I convinced him to come out and see it for himself. I certainly did not change his mind; I did not need to. The product sold itself. It is like a real estate agent trying to sell a house and showing a client what they think is a perfect place in Nedlands, but the buyer says, "No; I don't want Nedlands; I want Peppy Grove", and the agent says, "Well, just come to Nedlands; I'm sure it will fit." All I did was convince the Premier to come and see the product, and the product sold itself. I invite anyone in this chamber to come out and feel it for themselves because Vincent is that vibrant inner-city community. The Premier saw it, experienced it and loved it. He enjoyed the cafes and the small bars. It was obvious that he enjoyed the whole experience.

I will sum it up by saying that that is what caused him to eventually change his mind and agree that Vincent should belong in the city. The same can be said for the minister. The minister had an opportunity to come out to Vincent and see for himself that Vincent belongs as part of the city. They both listened to the community and to the people at the rallies. I presented more than 7 000 signatures in this very house. In the last three months people came to my electorate office and signed petitions. The business community all got together and supported the signing of these petitions, so it was community consultation at its best. The outcome of this community consultation was that the government listened to the community and changed its mind and extended the boundaries of the City of Perth. That is to the benefit of the Cities of Perth and Vincent. That will now ensure that the City of Perth and the business community maintain their regular customers. When I say that, it is the Vincent people who live, shop, work, play, eat and drink in the city. If the City of Perth did not receive the City of Vincent, the door would be shut to its best customers and that would be an absolute shame and detrimental to the business community in the City of Perth. I am sure, Madam Acting Speaker, that you are aware that with all

Extract from Hansard

[ASSEMBLY — Wednesday, 20 November 2013]

p6338b-6355a

Mrs Michelle Roberts; Dr Tony Buti; Mr Bill Johnston; Acting Speaker; Mr Vincent Catania; Ms Lisa Baker; Mr Peter Abetz; Ms Simone McGurk; Ms Eleni Evangel

the competition, internet shopping and incredible shopping centres throughout the metropolitan area, we cannot afford to shut the door to any customers, let alone those who frequent and use the businesses 24/7. I believe that this is a fantastic outcome for both the City of Perth and the City of Vincent. I am really pleased that the Minister for Local Government, who has undertaken the difficult, to say the least, task of leading local government reform and amalgamation in this city, stopped to listen to the people and take on board exactly how they feel.

I congratulate the City of Vincent once again because the \$40 000 it spent on the campaign certainly did not go to waste; it was very well used. The City of Vincent ran a really good campaign and it was a pleasure, as the member for Perth and the representative of my electorate, to stand by their side and support them all the way. That is what this process is all about. To those who say this process has been a shambles, I say that it has not been. We have gone through the stages. The government has sent all submissions to the Local Government Advisory Board, and guess what? There is even more opportunity for public consultation because they can now make their submissions to the Local Government Advisory Board, and it is up to the board to make the final decision. I think this process has worked brilliantly. I am really proud of the process and proud to stand here and say that this government has listened to the community; it certainly listened to my community, and that is admirable.

I am glad the member for Cannington tried to put a slant on it by saying that the process was only about supporting marginal seats.

Debate interrupted, pursuant to standing orders.

House adjourned at 7.00 pm
