

**LOCAL GOVERNMENT AMENDMENT BILL 2011**

*Second Reading*

Resumed from 19 October.

**The ACTING SPEAKER (Mr P.B. Watson):** Member for Warnbro, have you finished your entree?

**MR P. PAPALIA (Warnbro)** [10.28 am]: I beg you pardon, Mr Acting Speaker.

**The ACTING SPEAKER:** You will address me instead of the member for Rockingham.

**Mr R.F. Johnson:** Normally you have to get the call by saying “Mr Speaker” or “Mr Acting Speaker”.

**Mr P. PAPALIA:** I did actually say that quietly.

**The ACTING SPEAKER:** I did not hear it. I will let you off this time, member for Warnbro.

**Mr M.P. Whitely:** It is a good start!

**The ACTING SPEAKER:** Yes, the first minute has been very entertaining.

**Mr P. PAPALIA:** The build-up has placed an incredible amount of pressure on me.

I stand to address the Local Government Amendment Bill 2011, and in doing so I refer to the minister’s second reading speech and the explanatory memorandum, which states that the aim of this bill is to strengthen —

... the ability of local governments to deliver better services to their communities and at addressing significant governance and public administration issues.

At the outset I must say that I agree with much of the proposed legislation. The opposition accords with the view that that is the objective and the intention of what the minister has put before us. We have some concerns, particularly with one clause, which we will probably oppose. I point that out at the outset.

I will go through the dot points in the explanatory memorandum as a way of addressing the opposition’s views. We are interested in exploring this in more detail during consideration in detail and focusing on some potential points of interest.

The first objective of the bill is to introduce —

- new disqualification provisions for council members so that they cease to hold office when elected to Parliament or when convicted of a major crime;

One can only speculate on why the minister’s staff or his office, or the department staff, chose to combine those two objectives in the one dot point. The notion that being elected to Parliament and being convicted of a major crime are somehow linked is of interest. I will not speculate on why that might be combined. Perhaps it is the minister’s staff having a crack at him behind his back or a crack at all of us. It is probably reflective of the vast majority of the public’s view of politicians, potentially.

We think that these are reasonable amendments. We certainly agree with “Subdivision 1 — Disqualification due to membership of Parliament”. If we were to bother we might suggest that this could be called the Sutherland amendment—an amendment introduced as a result of the embarrassment caused to the poor old minister when one member in particular felt that it was essential for him to remain a member of local government after being elected to state Parliament so that he could pursue the just cause of ensuring that long-term local government members, particularly those who receive life membership, are adequately acknowledged by their local governments and afforded the appropriate gifts upon their departure, or at least a \$2 500 tea set!

**Mr M. McGowan:** “Tea set–gate”!

**Mr P. PAPALIA:** Yes, “Tea set–gate”! Perhaps members might like to cast their minds back to that time.

**Mr M.P. Whitely:** The golden Rolex amendment!

**Mr P. PAPALIA:** It was not that long ago when the member for Mount Lawley entered this place and managed to make himself the focus of a bit of media attention when he pursued the case of his appropriate acknowledgement after having served long term on the City of Perth and suggested to the council that at least a \$2 500 tea set would be appropriate. As the member for Bassendean has indicated, perhaps we could have called this the gold Rolex amendment!

Having made those observations, we thoroughly support this amendment. At the last election and at previous elections, local government members were elected to state Parliament and continued to serve in both positions.

Acting Speaker; Mr Paul Papalia; Mr Joe Francis; Mr David Templeman; Mr Michael Sutherland; Mr Bill Johnston; Mr Chris Tallentire; Mr Ian Blayney; Mr Fran Logan; Dr Mike Nahan

---

That raised a lot of questions about the appropriateness or the probity of that and the potential for conflict. Therefore, we support the amendment to change that. Likewise, there is no question that the amendment for disqualification due to conviction of a major crime is appropriate and we support that.

The next dot point in the explanatory memorandum that I would like to focus on refers to —

- modifying the current power for the Salaries and Allowances Tribunal to recommend the levels of local government chief executive officer salaries and remuneration to making a binding determination which must be complied with by local governments;

On the face of it, this appears to be a reasonable amendment. I would imagine that most people in this state would not have too much of a problem with this. However, an issue that has been raised with me is the implications for some regional councils. I have been told that something like 39 per cent of councils in Western Australia do not comply with the Salaries and Allowances Tribunal recommendations, which are not binding at the moment.

**Mr G.M. Castrilli:** It is 39 or 40 per cent.

**Mr P. PAPALIA:** I was told 39 per cent by people from the Western Australian Local Government Association, who observed that the large divergence of 39 per cent of councils not complying with the Salaries and Allowances Tribunal recommendations is a necessary situation to attract the appropriate level of talent to remote regional areas where human resources pools are not available. It is similar to the situation with doctors. Many councils in regional areas have packages. They bump up their entitlement packages for their staff in an effort to attract better and appropriately qualified individuals. As the minister would no doubt be aware, the concerns of the Western Australian Local Government Association with this particular clause lie around the suggestion that if councils are compelled to remain within SAT guidelines for chief executive officer remuneration, regional local governments will be in the same marketplace as the bigger, and even the smaller, metropolitan or South West local governments, yet they will not have the capacity to entice people to move to the area because they will not have the flexibility. In all likelihood those remunerations will probably be based on population levels of a local government and the scope of perceived work as determined by SAT when it makes comparative assessments. I think the minister is already considering how that issue might be dealt with, and we will look to elicit his views on that matter during consideration in detail. We will not oppose that amendment even though, as I understand it, WALGA is certainly opposed to it. I ask the minister to respond in consideration in detail on how the department and the minister see that they can deal with that issue. I think it is a fair issue and a reasonable observation by local governments in those regions. They have a challenge and we have acknowledged that. The minister has acknowledged that in the structural reform process. The challenge for those people needs to be met.

In dealing with that issue, it has also been raised with me that the Salaries and Allowances Tribunal is reasonably under-resourced to deal with the additional responsibilities that the minister will impose on it through this legislation. It has been suggested to me that as few as 1.5 full-time equivalent positions deal with this problem. In the event that this legislation imposes the responsibility—it is a pretty onerous responsibility—on SAT to make a lot of deliberations about fields that in the past have been only areas within which it would provide guidelines, rather than compel local governments to comply with binding determinations, I would hope that there will be a lot of additional resourcing to SAT to ensure that it can meet that task. This is not the only issue. As the minister is aware, the legislation focuses on providing SAT deliberation over remuneration of councils and councillors for elected representatives. It is essential, if we intend to give the Salaries and Allowances Tribunal this additional role and responsibility, that the state also provide it with the resources and the ability to perform that task in an efficient and appropriate manner.

That leads me to the next dot point in the explanatory memorandum, which states that there will be the inclusion of a new power for the Salaries and Allowances Tribunal to set the levels of fees and allowances paid to council members. The opposition and I wholeheartedly support that provision. At the outset of my assuming the role of shadow Minister for Local Government, I supported the minister's suggestion that local councils are under-remunerated and need to be acknowledged more for their efforts. They make a wonderful and often unrecognised contribution to the welfare of the state. They help to develop and build the society of Western Australia. Councillors make vast sacrifices in personal time, and often financial sacrifices because of their inability to go out to the community and earn other income. They make a tremendous contribution to Western Australia without adequate remuneration. It is a good thing that their remuneration will be determined by the Salaries and Allowances Tribunal. I say that because I am aware that most regional councils around the state do the job out of a desire to do nothing more than help their local community. There are some people who get into it for other reasons but the vast majority of people in local government do it for that reason. I am aware that councillors in some local governments have refused to elevate the amount of money they receive as a stipend because they have felt it inappropriate in light of the economic circumstances the community was facing. The reality is that

that was very generous of them, but it was not right because, if anything, they were working harder in that environment due to the need to rein in council expenditure, and they were receiving a lot more criticism than they might otherwise have received because of the financial circumstances around their community that were not necessarily of their own doing. Yet they were saying to the community, “We’re going to take less money for it.” That is not right. It should not be left to that sort of determination whereby they feel guilty or somehow wrong about taking what is rightfully theirs.

I will make another observation about this amendment bill, and no doubt others will too. When we couple it with the minister’s current structural reform of local government and the proposed reduction in the number of councillors in each council, the minister’s objective over time in the event that the Liberal Party returns to government at the next election—I do not believe it will be achieved in this term—is to reduce the number of councils and effectively create larger councils, again represented overall by fewer councillors. We are talking, therefore, about nine councillors for larger areas. I talked about this issue with the minister’s advisers in our briefing. I think that what will happen, particularly in the metropolitan area and no doubt in the South West and other areas of larger populations, is that individual councillors will represent potentially as many people, if not more in some cases, as state members of Parliament represent. In so doing, that will provide a problem for SAT, because SAT will have to determine the remuneration that councillors should receive. If SAT is looking at it, how will it come to a determination about councillors? I speculate that one of the ways SAT might do that is to look at similar roles. If it looks in Western Australia for a similar role, it will see state members of Parliament. It will know the number of people those members represent, the resources they receive, the pay they receive, the allowances they receive, the number of office staff they have and all those sorts of things. If SAT then adopts that as some sort of measure or some sort of bar by which it sets the pay of councillors, who represent as many, if not more, people with far fewer resources, the minister might find that there will be a significant increase in pay levels for councillors.

**Mr J.M. Francis:** Can you give me an example then—I’m not saying you’re wrong; I’m just trying to develop some detail—of where there would be a council, let’s say pre or post amalgamation, that would come under that? The quota for a state metropolitan seat is 23 000. Most councils have 10 to 12 councillors. You are talking about a council then with over 160 000 voters.

**Mr P. PAPALIA:** That is the point. The 10 to 12 councillor thing is being changed. The minister prefers to reduce the number of councillors per council to nine. If there are only nine in the metropolitan area and the councils are expanded, I do not know how big they will be. However, I understand that the suggestion from Directions 2031 is that there would be 10 to 15 councils in the metropolitan area.

**Mr J.M. Francis:** You have to look at the councillors on the City of Brisbane for a comparison.

**Mr P. PAPALIA:** The point in regard to this is how SAT will set its levels of remuneration for councillors. Then what are the implications for ratepayers and for the state?

**Mr J.M. Francis:** I was just wondering how you did your maths; that’s all.

**Mr P. PAPALIA:** I am not speculating, if the member for Jandakot wants a debate, about whether bigger is better or whether that is more effective.

**Mr J.M. Francis:** I was just wondering how you did your numbers and what you’re saying.

**Mr P. PAPALIA:** What I am saying is: if SAT intends to do this, how will it do it? My suggestion is that that is one of the bars it would use. One question that needs to be addressed is whether this will impose significant additional cost on each council. Another question is whether it will change significantly and dramatically the nature of the person who is attracted to the role. Will it indeed politicise local government? That is a term often thrown out whenever there are discussions about local government. I cannot believe that anyone would believe that local governments are not politicised. When there are more than two people in a room, there is politics. It is ridiculous to suggest that there is no politics in Western Australian local government. I suggest that as a result of reducing the number of councillors, paying them more money, imposing more tasks on them and making it more like a full-time task, it will more likely attract people who see it as a stepping stone to state or federal Parliament and it will reduce the overall pool of people who might be attracted to that endeavour. I think that is a reasonable thing to consider. I am just signalling to the minister that at the consideration in detail stage I might ask him about that with a view to eliciting his views and feelings on that subject, and whether that is being considered in the overall pursuit of this legislation.

Ultimately, my view, and I think the view of the opposition too, is that local government councillors perform a commendable role, they deserve greater remuneration and it should be done in a more professional fashion. This

bill is therefore supported, but there are implications. Sometimes we introduce legislation and, without giving it due consideration, get caught out by the unintended consequences.

The provision in the bill for the addition of a new head of power to enable regulations to be made to regulate the types of investments that local government may invest its money in is, of course, supported. I have been contacted by a number of people around the state who have concerns about their local governments losing, in some cases, millions of dollars as a result of investments in recent times. The minister is fully aware of that, and no doubt that has a fair amount to do with the introduction of this amendment. The questions to be asked in light of that are: what is being done about those losses, and is there scope for further investigation of those losses and the behaviour of some of the people involved in the investments at that time? We also need to ask whether that has been fully and appropriately dealt with by the Department of Local Government. I have been asked that question by constituents—not my constituents, but by some of the councils that have lost millions. They feel that this issue has been overlooked. I know that the Minister for Local Government is dealing with it through the Local Government Amendment Bill 2011, and I commend and support him on that; but during consideration in detail we may want to talk about what is being done about it. It is a significant amount of money; some people have moved on from where they were into other positions, and I have been asked whether they were ever held to account or fully investigated in respect of those massive losses.

Under an additional dot point, it says that the legislation seeks to clarify the powers of local government to impose service charges for underground power and the ability for rebates to be paid under rates and charges. Again, this is something that we will talk about. I suppose the minister has, like me, been approached by the Western Australian Local Government Association to address the issue of pensioners being eligible for a rebate on underground power charges but not for a rebate on waste charges. I think it is worthy of consideration; I just say that it is something we would like to discuss over the course of debate on this legislation. I am not necessarily moved one way or the other at the moment. Like everyone else in this chamber, I have been approached by the president of WALGA on this subject.

**Mr P.T. Miles:** In Wanneroo we actually did provide that 50 per cent by including the waste charges with the rates.

**Mr P. PAPALIA:** That is the question. Some councils voluntarily take responsibility for providing that —

**Mr P.T. Miles:** No; it wasn't a line item as "waste" —

**Mr P. PAPALIA:** I know; they combine them in their rates notices, thereby giving the rebate by virtue of being able to give a rebate under the rates notices, but it is an equity issue, because many local governments around Western Australia do not do that. They separate them and, as a consequence, pensioners do not get a rebate on their waste. The question asked by the president of WALGA was whether they should be combined. I know it has financial implications for the state. I forewarn the minister that I will ask whether he is able to get information from his department on how many councils around the state separate their waste charges, and how many do not. The ones that do not separate those charges obviously make a commitment to their pensioners that they will absorb that charge. If we could possibly have the information tabled, I would like a list of all the councils around the state that do not do that, and those that do. I also want to know what the cost implications will be for the state, should the government decide to change the legislation to enable a 50 per cent waste rebate for pensioners, without councils having to take on that task. The opposition will be interested in finding that out. At this stage, that will be the extent of our deliberations on that point. I am not necessarily advocating either way; I am just trying to elicit more information so I can talk to opposition members about it.

I indicated to the minister at the outset that there is a controversial proposal in this amending legislation that would be a problem for the opposition. I refer to the inclusion of a new power to enable the minister to suspend a council for up to six months and/or require members of councils to undertake remedial action when a council has become dysfunctional. I have no problems with remedial action. I received a briefing from the minister's departmental staff and went back to our caucus, and there was a degree of interest in this proposed power. On the face of it, it is a move to enable the minister to be able to suspend a council without inquiry, and that is the real point. It can be done now with an inquiry, and the minister knows that it will impose a cost on the community, so he is reluctant to do it, as have all previous local government ministers. But if he is given this power to be able to suspend a council without an inquiry, it will remove transparency. It will remove any certainty in the community that the minister has not acted for other reasons. I am not suggesting that the minister would, and I am not accusing him of anything, but I think this would empower a future minister to suspend a council that he or she has had a problem with, including, possibly, a political problem.

For instance—this is just an example—the minister has since February 2009 been engaged in a process of trying to reduce the number of councils in the state through amalgamation, and that has put him philosophically at odds

with a number of councils. It may be that one of those councils could in future be publicly adjudged, in the minister's view, to be dysfunctional. I will throw the minister an example—the Cities of Nedlands and Subiaco. There has been, for some time, public debate about whether Nedlands and Subiaco should combine. The minister initially provided funding for a consultant's report with, as I understand it, the support of both councils at that time. They were both open to the suggestion that a consultant's report should be obtained. When the report was obtained, Subiaco withdrew its support for the idea of amalgamation with Nedlands, while Nedlands retained its support for the idea. Subsequently, it came about over time that Nedlands asked the Local Government Advisory Board to inquire into the possibility of amalgamation as another way of continuing the whole process, even though Subiaco did not want to have anything to do with it.

**Mr G.M. Castrilli:** Which was nothing to do with me.

**Mr P. PAPALIA:** It was nothing to do with the minister, but he doubtless was supportive of the concept of fewer councils and was positive about it.

**Mr G.M. Castrilli:** Oh, absolutely. I've been advocating that.

**Mr P. PAPALIA:** It is on the minister's website; he has put out positive observations regarding the amalgamation of those councils. He provided \$300 000 for the consultant's report that recommended it. He doubtless would have been happy with the whole process continuing, even if he did not instigate it.

Then there was a local government election and the Nedlands council changed personalities and determined that it was no longer in favour of amalgamation. It came out publicly to say that it did not want amalgamation, while Subiaco was meanwhile challenging the Local Government Advisory Board in the Supreme Court, saying that it should not continue with its inquiry. Since Nedlands no longer wants to be part of the process, the minister could claim that because Nedlands was supportive of the amalgamation a week before its council elections and no longer supportive of it a couple of weeks after, it is a dysfunctional council.

**Mr G.M. Castrilli:** If you believe that scenario to be part of this, you are completely mistaken.

**Mr P. PAPALIA:** No, I do not. As I said at the outset of this particular line of debate, I am outlining a potential scenario, as far fetched as the minister might consider it to be. Other people may not consider it to be so far fetched, including aggrieved individuals in those councils and communities, but I am not accusing the minister of anything. I am just saying that this is a situation that could arise under the new legislation: a minister who is in conflict with a local government may determine that he or she will simply end that local government. Under this legislation, there will be no consequences for that action; there will be no inquiry or opportunity for the public to see why it occurred.

**Mr G.M. Castrilli:** This is not about a conflict between the minister and a local government. This is about conflict within councils and their communities.

**Mr P. PAPALIA:** I understand that, but what if it is a contrived conflict? It is not unheard of for interest groups in communities with links to the minister to be in conflict with a council. Councils are political, and will become more political, in my view, through this change to the legislation because we will have fewer councils that are paid more and will be more full time.

**Mr G.M. Castrilli:** Less conflict.

**Mr P. PAPALIA:** There will be conflict.

**Mr G.M. Castrilli:** Less conflict!

**Mr P. PAPALIA:** Possibly—or they could be more manipulated in a political fashion. It may be that, in the event that a minister wants something to happen, and the council is obstructing it, he or she could just walk in, lop them off at the knees, give them 21 days and say, “Okay; you've failed. You're out of here. You're dysfunctional”, and no-one in Western Australia will know why. No-one in Western Australia will be able to question the minister's behaviour, beyond the public observation that it seems a bit odd, or by questioning it publicly in the media. There will be no inquiry, there will be reduced transparency, and there will be opportunities for inappropriate use of that power. WALGA agrees with us—well, it agrees with us partially; I am not going to claim that it agrees with us entirely. WALGA would advocate, as the minister knows, that the power be limited to individuals. That would mean that the minister could come in and say that a person is being a problem, he is being obstructionist, he is creating dysfunction, so we are going to get rid of him and suspend him. We do not agree with that, because the problem is that instead of the minister using the power, the rest of the council will be using the power. Also, if that individual is the sole person representing a group of people in the community on a specific issue of great concern to those people, that councillor could be targeted by the

minister in order to eliminate a problem. It would only take the minister imposing the WALGA-suggested rule to get rid of that person who was a thorn in his side.

**Mr G.M. Castrilli:** We agree on that.

**Mr P. PAPALIA:** The same thing could be said of an entire council. However, by the same token, it is just as bad to dismiss an entire council without inquiry as it is to dismiss an individual. The dangers associated with dismissing an individual can just as easily be applied to dismissing an entire council. So, I forewarn the minister that we oppose that particular clause. We would prefer that it did not go ahead in any fashion. We do not agree with WALGA that it be limited to individuals. WALGA would not like us doing that any more than the minister would like us doing that.

**Mr G.M. Castrilli:** As you probably realise, WALGA supports the concept of my being able to do that, except that, as you say, WALGA would rather be able to suspend individuals or groups of individuals instead of the whole council.

**Mr P. PAPALIA:** That is exactly right. Neither of us is going to get WALGA on side with that particular clause; neither our position nor the minister's position is going to satisfy it. I understand what the minister's motivation is. I have been part of that. The minister has received criticism when there has been dysfunctionality in local governments and the minister has not been able to storm in there and sort it out. But there is the opportunity right now to do that. It just requires undertaking an inquiry, and that has a cost associated with it. That inquiry is an important safety valve, though, I think. It is essential that we retain a public inquiry requirement when we are going to suspend councillors because, if we do not, there is lack of transparency. I am not accusing the minister of anything, but there is opportunity for future ministers to use that power in an inappropriate way, and just as a way of shutting down debate in the community and stopping criticism; and that is worthy of receiving our opposition.

There will be some consequential changes to the Salaries and Allowances Act and the Local Government Act as a result of this bill, and I am not going to talk about those. But I will make one final observation before I sit down. We are looking forward to hearing the minister's views about whether he would consider changing the legislation to enable all pensioners to receive a rebate for waste charges. We have an inequity right now in this state between councils in the metropolitan area. I will be very interested if the minister has that information and if he is able to table it in due course so that we can see which councils are providing that rebate and which are not. We are also interested in knowing the consequent implications if the minister were to change the legislation to ensure that that rebate for waste is extended to every pensioner in Western Australia—that is, what that is forecast to cost, should the minister take it on; and, if the minister does not take it on, what the minister is therefore depriving people of, and why that is the case, and how much the minister thinks it is worth withholding that opportunity to provide a rebate for pensioners. We are also interested to know what threshold the government would consider, and how much money it would have to cost before the government says it is too much.

That is it, minister. I am happy to say that we will support the vast majority of what the minister is introducing in this bill. There are obviously questions and discussions that we want to have around specific clauses in the bill. We will oppose the extension of the power for a minister to just dismiss or suspend a council without inquiry for six months, for the reasons I have outlined. But, otherwise, most of what the minister is proposing we will support. We are just interested in more detail.

**MR J.M. FRANCIS (Jandakot)** [11.05 am]: I will not be too long, member for Cannington, but I want to make a few brief comments on the Local Government Amendment Bill 2011. I will start by saying thank you very much, minister. This bill addresses many of the concerns that I think members from both sides know that I have been screaming about in this place for the three years I have been here. I will touch on some of those issues briefly. The first is the disqualification provisions for council members when they cease to hold office. I think it is only right that council members who are elected to state Parliament should do the right thing. There are a number of members of this place who were councillors at the last state election, and they pretty quickly did the right thing—the member for Wanneroo, the minister, and the member for Mount Lawley—and realised that not only was there a conflict, but it was not necessarily fair on the people they represent to try to do two particular jobs. Obviously a person who is a crook should not hold office in a local council either. So that is a great amendment.

I turn now to the pay and salaries issue. I think it was only a couple of months ago that I made a 90-second member's statement and pointed out that there are some chief executive officers of councils who are on more money than the Premier, and I thought how ludicrous that particular situation is. There are obviously some CEOs who work pretty damn hard and who do, I guess, deserve a decent salary package.

**Mr P. Papalia:** Should that not, though, suggest that the Premier should be paid more?

**Mr J.M. FRANCIS:** I am not saying that either. What I am saying is that, either way, something is out of balance. What I am saying is if it is right for the Salaries and Allowances Tribunal to set the salaries of members of Parliament and ministers, I think it is only right that when there is a controversial issue like the CEO salaries at councils, SAT should also have a binding direction and not just a recommendation over those particular salary amounts.

That brings me to another issue—I did make a commitment to a number of councillors at the City of Cockburn that I would raise this issue over a period of time, and I have been trying to do that—and that is the allowances paid to elected councillors. Somebody will correct me if I am wrong, but I have been told by a number of councillors in my electorate that allowances were last adjusted in 2003, when they went from \$6 000 to \$7 000. When we do the maths on that, that is \$600 a month, or \$30 a day, to cover the expenses that people incur as elected councillors in my electorate, either at the City of Melville or the City of Cockburn. I know the amount of work that these people put in, and I think it is only fair that they stop doing it at a loss. We have a situation in which some of these people are doing it at a loss. I have always believed in the theory that if we pay peanuts, we get monkeys. These are basically voluntary jobs. This is not a salary that we are paying councillors. They are doing it for free. Unlike us, who are professional politicians, and we are paid for our time, these people do it for free. This is an allowance just to cover their costs. It is not a form of remuneration for the time they put in. Before I start to look at some of my local councillors, I would make this observation as well: most of the councillors I know actually spend more than \$7 000 a year on being councillors. They do that out of the goodness of their heart. But they also do it out of the depth of their pocket. So it costs them money to do their job.

Forcing people to spend more money to cover their own costs—not to make money—rules out enticing people to run for council who may not be as well off as others and who may not have the employment characteristics that would allow them to surrender their time without being paid. I think it is important we acknowledge that. When I flick through the list of some of the newly elected councillors, I see Steven Portelli. He is not necessarily a Liberal supporter, but he is one of the greatest men in my electorate—I call him “Mr Atwell”. This guy is the head of Atwell Neighbourhood Watch, he is the chairman of the Atwell Community College board, he is the head of the Atwell Residents Association, he sells homes for Plunkett Homes, and I think he is one of the sponsors of the Leeming Bowling Club—he is everywhere. He has been a very hard worker for his community for years. My point is that he has a bit more flexibility than others, because of the nature of his employment, and is able to dedicate time to council. Another newly elected councillor is Yaz Mubarakai. Yaz is another really nice bloke who runs the post office at Cockburn Central. He has, I guess, a number of small business interests that allow him to divest a certain amount of time. I do not know his personal financial circumstances, but I would guess that running for council is not as cumbersome for people like him as it would be for someone who is unemployed. Lee-Anne Smith is another councillor who does an excellent job working with troubled young Aboriginal boys. All credit to her, she does an outstanding job, but, once again, she would be spending more money than she gets paid for doing her job.

**Mr P. Papalia:** From Halo?

**Mr J.M. FRANCIS:** Yes, from Halo.

Deputy Mayor Kevin Allen has his own IT consulting business, and Tony Romano is a real estate agent. These people have the time to dedicate to the work. Stephen Pratt has just been elected; he is the research officer for the member for Kwinana—I guess he will have all the time in the world to do his council work! There are a few others, such as Val Oliver, who is, I think, the longest-serving councillor. She is a stalwart of the Cockburn community.

My point is that when people are being paid \$7 000 a year in allowances—\$30 a day—most of those people are putting their hands in their own pockets to service their community. They do an excellent job; I do not think I could possibly knock any of the councillors for the effort they put in, and I think it is only fair that we recognise that. My message to the Salaries and Allowances Tribunal, if it is worth anything, when working out what the allowances should be, is to understand the amount of time they put in, and at least let them break even.

The last point I wanted to note, which I have raised many times in this place and in the media, is the requirement for councillors to be prudent in their investments. Obviously, one of my pet subjects has been the issue of the City of Melville basically blowing \$21 million in consolidated debt obligations. If a council has \$21 million to gamble—effectively it was a gamble that did not pay off—it means it is either charging too much in rates, or not spending enough on services and infrastructure in the local community.

A member interjected.

Acting Speaker; Mr Paul Papalia; Mr Joe Francis; Mr David Templeman; Mr Michael Sutherland; Mr Bill Johnston; Mr Chris Tallentire; Mr Ian Blayney; Mr Fran Logan; Dr Mike Nahan

---

**Mr J.M. FRANCIS:** Absolutely outrageous.

I do not mean to pick on the City of Melville, but my electorate does touch on it —

Several members interjected.

**Mr J.M. FRANCIS:** I will, I will.

Many other councils lost money on CDOs, but not on the scale of Melville. This was all before the current mayor was elected and it is going back some time, but this was ratepayers' money. Governments, be they state, local or federal, do not have money; taxpayers have money, and the governments are trusted to collect it and manage it as fairly as possible, and spend it as fairly as possible on their behalf. That is our job, and that is the job of local councils. When a council blows \$21 million, that is ratepayers' money, that is not council money, and it is only right that we should say to councils that if they have \$21 million to put under the pillow somewhere—I know councils need a pot of money for a rainy day and forward planning—they have to put it in an Australian bank that is capital guaranteed.

**Mr P. Papalia:** So, like us, you would be interested in the minister saying whether he feels there has been an adequate investigation into that particular loss and other significant losses in Western Australia by councils?

**Mr J.M. FRANCIS:** I am not going to go into the details of that, but I did write to the minister, I think two years ago, about this, and I think a few other members may have raised this particular issue when we got elected.

**Mr P. Papalia:** Do you think it's been investigated?

**Mr J.M. FRANCIS:** It is like investigating a crime after it has been made a crime. What it did was not illegal. The Local Government Amendment Bill 2011 will say to councils that they cannot do that again —

**Mr P. Papalia:** That's right; no-one is questioning that.

**Mr J.M. FRANCIS:** — and that they cannot take that risk. This comes down to whether it is worthwhile investigating something that was not illegal when it was done.

**Mr P. Papalia:** It cost the ratepayers a lot of money.

**Mr J.M. FRANCIS:** It certainly did; it certainly did. I am sure the council is sick of me reminding it of that. I suspect the return it will get from that \$21 million will be negligible. The council may say that it is only a paper loss, but we know that it is probably sitting on, member for Riverton, a less than 10 per cent return on that.

**Dr M.D. Nahan:** Yes.

**Mr J.M. FRANCIS:** It will be lucky to get \$2 million out of that \$21 million.

I think it is only right and fair that we do the right thing by the ratepayers of Western Australia and say to councils that if they have money to invest, they have to put it in a bank, where the capital is guaranteed, so that this will not happen again in our lifetimes. It is just wrong to take gambles with ratepayers' money. That is regardless of who may or may not have got kickbacks from the investment, or God knows what happened when it all got rolled out in the first place a number of years ago.

I thank the minister so much. I think he has done a hell of a lot to address many of the concerns that I have been raising for a number of years, and these are all very, very welcome amendments. Many local councillors do an outstanding job in servicing their electorates, and I think it is fair that we recognise that in this bill by not only allowing an increase in their allowances, but also sending local councils the message that they have to be prudent with ratepayers' money. I thank the minister very much; it is very much appreciated in my electorate.

**MR D.A. TEMPLEMAN (Mandurah)** [11.16 am]: I want to make a couple of comments. I thought for one moment there that the member for Jandakot was going to go through the total council list for the Cities of Melville and Cockburn, but he did not.

A member interjected.

**Mr D.A. TEMPLEMAN:** Yes, so I am going to go through my City of Mandurah.

In speaking to the Local Government Amendment Bill 2011, I would very briefly like to acknowledge the retirement of Syd Wilson at the last election; he served the City of Mandurah for a significant period. He was a north ward councillor and also, for a period, Deputy Mayor of the City of Mandurah. Doug Cavanagh, who had served on the town ward but did not renominate, also retired. I also want to acknowledge Bruce Blay, who was not returned in the election, but he also made a significant contribution. I also welcome a name that may be known to members—namely, Councillor Fred Riebeling, a former Presiding Officer of this place! When he came to me and said he had been elected, I said to him, “You must be bored, are you?” He has been living in

Mandurah as a ratepayer for a number of years, and he is looking forward, along with the other new members of the council of the City of Mandurah, to making a contribution.

**Mr M. McGowan:** How did he answer your question?

**Mr D.A. TEMPLEMAN:** I think he was on his way on a trip somewhere, so he did not have much time to answer the question.

**Mr P. Papalia:** He was in between golf courses.

**Mr D.A. TEMPLEMAN:** Yes, in between golf courses—true!

The Local Government Amendment Bill 2011 makes some significant amendments to the Local Government Act, and, as the member for Warnbro has highlighted, the opposition will be supporting it, except for the clause that relates to the suspension of a council and remedial action if a council becomes dysfunctional. I will listen with interest to the minister's response to questions raised by the member for Warnbro about the pensioner rebates issue, because I think it is true that the inequity issue that we know currently exists needs to be clarified and an explanation given about the current status.

Broadly, the bill gives power to the Salaries and Allowances Tribunal to set new fees and allowances paid to local council members. I am interested in the minister's response and his personal view about the levels of allowances that he thinks should be considered for councillors. Although there is a level set at what I think the member for Jandakot mentioned was around \$7 000 for individual councillors, we know of course that a number of councils vary in terms of those that take it and also in terms of the current provisions for the mayoral remuneration. When we conclude the second reading debate, perhaps the minister can make some comment about how he personally sees that matter, having served as Mayor of the City of Bunbury.

I agree with the member for Jandakot about the time invested by people who put themselves forward to represent their communities as elected councillors. An interesting thing, though, is that, certainly in growth councils such as Mandurah and Rockingham, and the councils of other members in this place where there is significant growth, the call on the time of councillors is substantially different from the call on the time of a councillor for a shire of 600 or 700 people in the Wheatbelt, for example. The requirement for councillors to be across a number of planning issues in their electorate, particularly if they are a growth council, is far more onerous than one that might appear in the Shire of Dandaragan or the Shire of Three Springs, for example, which might consider only two or three planning applications a year. In the case of the City of Mandurah and other growth councils—I know a number of them are dealt with under delegated authority—significant planning applications require councillors' direct interest, and that can be quite significant. I again am interested in the minister's perspective on what the setting of fees and allowances by the Salaries and Allowances Tribunal might mean. We need to consider what happened after the amalgamation process in Queensland, when former Queensland Premier Beattie introduced legislation that saw the collapse of many councils in Queensland into regional councils. One of the councils I looked at, because it in my view has synergy with my part of the world, Peel, was the Sunshine Coast. The Sunshine Coast had four councils from Noosa in the north to Caloundra in the south, Mooloolaba —

**Mr G.M. Castrilli:** Mooloolaba, Maroochydore.

**Mr D.A. TEMPLEMAN:** Maroochydore. I think they were the four councils. I think there were about 200 000 to 300 000 people then living in that corridor. All those four councils were grappling with development pressure. The northern shire, the Noosa shire, was very strongly opposing a lot of development, particularly any high-rise or development that was seen to be impinging on the lifestyle and the nature of Noosa. Caloundra, Mooloolaba and Maroochydore councils were a bit freer with their development ethos. Those councils were collapsed. Interestingly, the Mayor of Noosa became the Mayor of the Sunshine Coast Regional Council. As part of my interest in the issue, I went across to the Sunshine Coast a year after the rearrangements and met with a couple of the councillors and a couple of officers from the new council to talk about what happened in the transition from four entities to one entity across a broader catchment and the population issues that impacted on that. I looked at the remuneration of councils, and as the minister would know, in places such as Queensland, there has been a tradition over time for a greater remuneration of councillors. I was over there in 2008 or 2009. A councillor I met with was on a remuneration package of, I think, just over \$100 000—that was \$100 000 per councillor. She still represented a ward, but her ward was probably a bit bigger than one of our electorates, to be honest, and she had support allowances that were the equivalent of those for a small electorate office—certainly not what we have. I think she had one person who could staff her office. She was given an office space that she chose in her ward. She received basic postage and phone allowances, and also had access to a media adviser. I hope to revisit the Sunshine Coast, because it will now be three years since I made that visit, to see what other things have occurred. However, on this whole issue of allowances and fees, I think that there are a few more problems for us in Western Australia with its peculiarities, given the sprawling nature of our state. I am interested in the

Acting Speaker; Mr Paul Papalia; Mr Joe Francis; Mr David Templeman; Mr Michael Sutherland; Mr Bill Johnston; Mr Chris Tallentire; Mr Ian Blayney; Mr Fran Logan; Dr Mike Nahan

---

minister's comment on the equity issue of a councillor, for example, in the Shire of Three Springs vis-a-vis a councillor in the City of Mandurah.

**Mr J.M. Francis:** Member, do you make that comment by geographical size or by the number of voters they look after?

**Mr D.A. TEMPLEMAN:** I think there are a number of implications. Someone who represents a council in which there is a significant area to travel, for example, has an impost on their time. The City of Mandurah is 70 square kilometres or maybe a bit more in size, and still has the ward structure. Effectively, the councillor is responsible for 11 000 electors. But there are planning implications drawing on the councillors' time. If someone really wants to be a good councillor and be across all of the issues that come up, that person must invest a significant amount of time to be across them. This is not a criticism of a council such as that of Three Springs. I lived in the area when I was teaching there —

**Mr J.M. Francis:** Peppermint Grove.

**Mr D.A. TEMPLEMAN:** Yes, Peppermint Grove is another example.

In the case of Three Springs, I think there are 800 ratepayers from memory, or maybe fewer, and, as I say, the planning applications received, and the day-to-day issues considered, by councillors there would be minuscule compared to those dealt with by someone on the council of a place such as Mandurah or Bunbury. I am just interested in what this proposal does about equity.

I know that there are issues about the suspension of councils, and some concerns have been raised by the member for Warnbro; I understand and support what he said. We have to be very careful that we also protect individual councillors who rightfully bring to their council issues of major concern and who can sometimes be targeted because they are in the minority. I will give members an example. I will not name the councillor involved. When I first moved to Mandurah many years ago in the late 1980s, there was a transition in the council representation. It had very much been the case that most of the councillors were retirees who had the time to serve. They were excellent councillors. However, in the late 80s a lady with very strong views about green issues and wanting to protect the local environment stood for council. She was usually in the minority—in fact, she was usually in a minority of one!—and whenever there was a vote, I think it was 10–1. In some ways, the lady felt very much bullied. I am not saying that this happened, but someone could have labelled her a troublemaker. She never did anything illegal, but she did ask questions and she was quite obstinate about some of the issues she raised. I would hate a system to be in place whereby inadvertently somebody who raises legitimate issues is almost —

**Mr G.M. Castrilli:** That is not intended.

**Mr D.A. TEMPLEMAN:** I know that is not intended but I want to highlight it as a concern. I am sure it is not intended.

Although I agree entirely with the disqualification provision for a local councillor who is elected to Parliament, I want some clarification for candidates elected to the upper house—this may show that I am very naive. When elected to the upper house, the successful members do not take their seat until the May following the election.

**Mr J.M. Francis:** It could be eight months like last time.

**Mr D.A. TEMPLEMAN:** Yes. It is very clear for lower house members in that if they are elected, they are a member from the day after the election and are, basically, remunerated from the Sunday morning following the election on Saturday night.

**Mr G.M. Castrilli:** It might be a relief to get off council!

**Mr D.A. TEMPLEMAN:** Yes; in my case I was very pleased to put in my resignation. I must admit that I was never sure that I would be elected and had not written my letter of resignation. I remember ringing the then CEO of the City of Mandurah, Stephen Goode, and telling him that I supposed I needed to write my resignation letter. I worked on it that afternoon and delivered it Monday morning. I am interested to know what that provision means for persons elected to the Legislative Council given the transition period from the date of the election until the date members take their seats. Essentially, after a state election they are Legislative Councillors–elect, but do not take their seats until May. I would appreciate the minister's clarification of that in his response to the second reading debate. For those people elected to the Legislative Council, their income effectively does not come in until some months later. I would be interested in the minister's comments on that.

I am always disappointed that local government amendment bills do not address the issue of making local elections compulsory, because I am a strong supporter of doing so. I think voting is important and I see it as a

person's obligation. If we validate the compulsory nature of state and federal elections, I see no reason we should not do the same for local government elections. Most councils have a postal vote system in place. However, I think the average response in Mandurah is still just under 30 per cent. Perhaps the minister can provide some figures in his response.

**Mr J.M. Francis:** That is high.

**Mr D.A. TEMPLEMAN:** But I still do not think it is enough, quite frankly. Around 30 per cent is still not good enough. It is better than when I was first elected. I remember that I was first elected to the council north ward with 460 votes. That was under the old system when we had to hand out how-to-vote cards and people had to go to the polling place.

**Dr A.D. Buti:** And 400 were your family!

**Mr D.A. TEMPLEMAN:** The member could argue that!

The vote in subsequent council elections improved markedly after that. However, I would be interested to hear from the minister his figures on voter turnout.

This is an important bill, but I wish that a clause to introduce compulsory voting in local government elections had been included. If we are really going to recognise local government as a legitimate level of government—as I think it is—we should make the system the same as the state and federal system and voting should be compulsory. Local governments already have set terms, with elections in October. Let us make voting in those elections compulsory.

**MR M.W. SUTHERLAND (Mount Lawley — Deputy Speaker)** [11.36 am]: I rise in support of the Local Government Amendment Bill 2011. The question of salaries for local government councillors is a vexed question. The member for Mandurah has just covered a lot of different scenarios of council sizes. In my electorate, the number of times councillors are expected to attend the council for briefings, various workshops, council meetings and committee meetings is quite extraordinary and I, quite frankly, do not know how anybody in full-time employment can manage the workload. And, of course, the City of Stirling could be juxtaposed with a rural council with very few electors and a workload at the other end of the scale. The task of working out a proper allowance for councillors will not be easy, but it is a great move forward to put that to the Salaries and Allowances Tribunal, which has the resources at its disposal to work out a fair and proper stipend for councillors. All those members who have served on local councils know that the various committees and boards to which councillors are elected or nominated very often carry a larger payment than that paid to them as councillors. The amount is presently capped at \$7 000, together with various expenses—telephone and whatnot. It is my view that everything should be wrapped into one payment. There should be no allowances and the payment, whatever payment is made to councillors, should be a lump sum for the councillors to do with what they wish.

The question of referring this to the Salaries and Allowances Tribunal is not new; it started with the Western Australian Local Government Association approximately six years ago. I know that the late Charlie Gregorini made an investigation into local government about four years ago in which he suggested councillor salaries be referred to the Salaries and Allowances Tribunal.

I think this is a positive step forward. Although not an easy issue, it is one that I think the Salaries and Allowances Tribunal will be able to resolve. I think there will be big differences in the scale of payment, depending on the type and size of the council and its budget. It is a quite strange and crazy state of affairs when councillors who are paid a maximum of \$7 000 appoint CEOs who are paid about \$300 000. The Local Government Act gives CEOs and their administrations a huge amount of power over the elected councillors, who are supposed to act as a board of directors. Very often it does not work as well as it should. The member for Mandurah was talking about bullying by councillors against councillors, but various councillors have said to me that they sometimes feel somewhat intimidated by the power that the administration has over them. If they step out of line, they can also be victimised. The Local Government Standards Panel can now be used by councillors against councillors, by staff against councillors or by councillors against staff. I believe the minister is also looking to try to streamline that Local Government Standards Panel process, because the last thing that we want is for that to be used by councillors or by the administration as a weapon against councillors. I must say that I have always wondered how it can be that CEOs, some of whom are paid more than the Premier, are put into the position by councillors who are paid some \$7 000.

The regulation of investment is a very important thing, because when I was on the City of Perth, we had an arrangement with an investment company.

**Mr J.M. Francis:** Did the City of Perth put any money in?

**Mr M.W. SUTHERLAND:** Yes, it did put some money in, and I was on the finance committee at the time. Very luckily it did not put in large amounts of money. When it put the money in, the return that it made over a number of years covered the loss that we eventually suffered. The point is that a lot of councils got involved in the junk bond market. At about the time that I was leaving the City of Perth, I said to the director of financial services, “Where are we going to go with this? What is it worth?” It is not going to be worth anything, and that is the bottom line. I think we were involved with various American institutions. It is very dangerous to allow local councils to have these advisers. I am not saying that they necessarily act in bad faith, but we all saw what happened in the global financial crisis. I do not think councils should be caught up in that type of environment.

The other aspect of this bill that will be of value is the ability for the minister to suspend a council for up to six months and require members of the council to undertake remedial action when it has become dysfunctional. We all know how councils work. Politics is everywhere. Politics is in here, politics is on the local tennis club committee, and politics is in local council. It is not necessarily party politics. People take sides with other people because they have an affinity with them for whatever reason. All of us here have had experience when a council becomes dysfunctional because of this constant clash between councillors on that council. This will enable a minister to suspend a council for six months. It may make people see the error of their ways and pull themselves together. Failing that, they can be dismissed, and administrators can be put in. That is an upturn for the books.

Local government, as those of us who have been in local government know, has all types of permutations and complications, because no real discipline is imposed such as that imposed, for instance, by a political party to keep people in some type of line. We do not have that in Western Australia. That is the result, be it good or bad. A lot of people can take a line and be disruptive and not necessarily work in the interest of their local community.

The other thing I support is compulsory voting. At the moment there is a very low turnout for postal voting. I think it is only about 33 per cent maybe.

**Mr P. Papalia:** Lower.

**Mr M.W. SUTHERLAND:** I know that at the City of Perth, it was about 33 per cent or maybe a bit higher because it was a mayoral election, and people are elected to very important posts. In the City of Stirling some of the wards have nearly 20 000 voters. We need to get serious about this as we are going to pay people to put time into local government. I always say that in a busy council such as Stirling, somebody would be expected to put in about half-time work—say, a 20-hour week—to do their job properly. In that case, they would be more proactive rather than reactive. I think compulsory voting should also come in. It would allow people with jobs to maybe cut back on their work hours and dedicate themselves to local government. At the moment, as I say, a lot of councils are so busy that the only people who can comfortably be accommodated are retirees or people who have an independent income source, which does not necessarily mean that councils are getting the best people for the job.

**Mr P. Papalia:** Member, would you consider this? The other side of this outcome would potentially be a diminishing of the pool of likely candidates because people will be expected to make a bigger contribution for the greater remuneration. It will exclude people such as retirees. It will probably exclude people such as teachers and other people who are on a salary that precludes them being able to drop half their workload. A lot of small business owners will not necessarily be able to step up to the expected level of contribution. I am listening to what the member is saying; I am not disagreeing necessarily, but there is a potential negative outcome.

**Mr M.W. SUTHERLAND:** There could be another side to the coin.

**Mr P. Papalia:** A reduction in the —

**Mr M.W. SUTHERLAND:** The gene pool, if that is the right —

**Mr P. Papalia:** The type of people, yes. You may or may not get a better outcome.

**Mr M.W. SUTHERLAND:** I do not think retirees would be put off. I am not knocking retirees, because a lot of them make a very good contribution. They may be ex-businesspeople. This is a vexed question. It is something that I think the Salaries and Allowances Tribunal must have a very good look at.

The other aspect is the provision now that if someone is convicted of a major crime, they cannot stand as a councillor. When I was on the Perth City Council, we had a case in which the Lord Mayor at the time, Peter Nattrass, pointed out to me that there was a more stringent bar to jump over to become a traffic inspector than if standing for local council, which was very worrying. People have stood with records and whatnot. I am not saying that that should necessarily preclude them, but there are processes to be followed to rehabilitate them so that they can stand in the future.

Local government is not an easy thing. Those of us who have been involved, as I say, know that there are all types of permutations and all types of agendas. We are moving in the right direction. As I say, member for Warnbro, the salaries and allowances is not a new issue. I spoke to Charlie Gregorini on many occasions. He was going down that track, and the minister has picked up on it. I would like the minister to listen to us maybe on compulsory voting and also to think about the Local Government Standards Panel, which I think he is dealing with. I really think that we have to raise the level of participation in local government if we are going to have paid councillors.

**MR W.J. JOHNSTON (Cannington)** [11.47 am]: I want to make some remarks on the Local Government Amendment Bill 2011. One of the issues with local governments is preventing mission creep.

**Mr G.M. Castrilli:** Sorry; what was that?

**Mr W.J. JOHNSTON:** Mission creep. Many local governments see unmet demand in the community, and they seek to fill that unmet demand when that is not necessarily their role. They should be lobbying, urging and encouraging other levels of government to fill those unmet needs, but local government is not always the best organisation to fill those voids in service delivery or policy development. We need to ensure that local government has a clear vision for what it is responsible for, and that it effectively and competently delivers those services and activities. Where there is unmet demand, local government should lobby and ensure that those state or federal agencies responsible for that unmet need do their job.

This bill seeks to regulate chief executive officer salaries by placing them under the control of the Salaries and Allowances Tribunal. I think every member has spoken in favour of this proposal. My memory is that once upon a time CEO salaries were set by a tribunal or in some other way, and the Richard Court government in the 1990s gave authority to councils to set salaries.

**Mr G.M. Castrilli:** They make recommendations at the moment, not determinations.

**Mr W.J. JOHNSTON:** Sure. But, going back to before the 1990s and the Court government's amendments to the Local Government Act, my memory is that there was an external procedure for setting salaries. When that procedure was broken, there was bidding up. Just as there has been bidding up of salaries for CEOs in corporations and the private sector, likewise there has been bidding up of salaries in the local government sector. The Salaries and Allowances Tribunal should perform a useful function, which is to restrict the bidding up of salaries in this industry. I do not think the salaries are reflective of the responsibilities. I am not saying that CEOs and local governments are not responsible people; of course they are. But when we compare their salaries with the salaries of parliamentary secretaries, the Premier or other jobs, there is not a proper wage balance between those two levels. Likewise, we now ask SAT to set fees for councillors. That is a good idea, but, in saying that, it is important that SAT recognise what councillors are doing. This should not become a salary.

I know that quite a number of mayors now operate full time. The allowance package for a mayor is not particularly generous, so I do not have any objection if mayors are prepared to do that. However, we should not try to make councillors work full time. If their workloads are becoming excessive, that is a reason to review their workloads and think about what we ask councillors to do. The principal job of councillors has to be to represent their local community. If it is getting to such a complexity that councillors cannot do that as volunteers, effectively, that is not a criticism of councillors; it means that we are not getting the management of local government right and that we need to look at what we are doing to local governments. It goes back to the question of mission creep.

I join the member for Warnbro on the question of recalling individual councillors. Sometimes, just because someone is causing trouble does not mean they are doing the wrong thing. If they believe that some wrongdoing is going on or that factionalism is creeping in, they may raise those issues. They may have been elected on a clear platform and adhere to that clear platform. Those things should be rewarded and not punished. This has already been discussed and we will go into it later in consideration in detail. There needs to be a balance between the obligations on councils to function and the rights of elected councillors to represent the interests of the people who elected them.

I give the example of the Town of Victoria Park. A number of councillors were elected on an anti-high-rise platform about two-thirds or three-quarters of the way through the planning process for the Burswood precinct. I think I have mentioned this matter to the minister previously. People had been participating in the planning process on a legitimate basis. The council was lining up to have this precinct to allow high-rise buildings to be built in Burswood. Quite frankly, as a resident of the Town of Victoria Park, I think it is a sensible plan. A council majority came in that opposed the high-rise and they were elected on that basis. The minister then called in the decision and said that it was unfair on the participants in the planning process. I am happy with the

Acting Speaker; Mr Paul Papalia; Mr Joe Francis; Mr David Templeman; Mr Michael Sutherland; Mr Bill Johnston; Mr Chris Tallentire; Mr Ian Blayney; Mr Fran Logan; Dr Mike Nahan

---

minister's decision, but if the councillors were elected on the basis of opposing a particular planning decision, it is a bit unreasonable to then use the call-in power. Sometimes we end up with what appears to be a dysfunctional council, but it is a reflection of the values of the community when there is an argument about a particular decision. We need to be very cautious about when we think a council is dysfunctional and when there is simply an argument between different ideas.

The member for Jandakot spoke about council investments in some detail. The City of Melville and the City of Swan are the two Western Australian councils that I have read about having had big losses from the global financial crisis.

**Mr J.M. Francis** interjected.

**Mr W.J. JOHNSTON:** Yes. This issue concerns the councils' investments in Grange Securities, which they did not know had been taken over by Lehman Brothers. One of the problems is that they were AAA investments. That is one of the extraordinary things. Court cases are going on all around the world, including on this particular case. There was a Supreme Court decision in New South Wales, only last month or the month before, about these bonds that we are raising in this chamber and who should bear the responsibility for the rating. I read a very interesting online article by *The Age* newspaper that referred to internal emails in the rating agency between different people involved in the rating, and some of them are quite scathing. One executive said to another executive, "You got it wrong; you should take responsibility for that." The GFC proved that we have to look beyond the AAA rating. One of the interesting things is that I doubt that any of the councillors knew what they were investing in.

**Mr J.M. Francis:** That should ring alarm bells.

**Mr W.J. JOHNSTON:** Yes, that is the point that I am making. I point out to the member for Jandakot that people were told, "This is a AAA investment. AAA is the highest rating; you should trust this and invest in it." However, they did not know what they were investing in. They are not the only ones; lots of charities and all sorts of organisations went down the same track. The point I am making is—let me finish the sentence—councils have an obligation to ask a simple question, which is, "What does this mean?" Councillors do not ask those simple questions about not only investment decisions, but also a range of other decisions. If a person selling something to someone cannot explain what it is, there is probably good reason for that; they probably do not understand either. This question of regulations for investments is a great additional power but it will only be as good as the structures that the councils have in place for managing investments, because we can still get sold a dud, even when it has a AAA stamp on the front cover.

**Mr M.W. Sutherland:** Normally, the director of finance is briefed on a certain product and he will come and brief the councillors. He is normally a well-qualified person but, as you know, a lot of well-qualified people were caught up in the GFC. That is how it works. It is fraught with danger. You are only as good as your finance director and maybe sometimes that is not the best.

**Mr W.J. JOHNSTON:** I have not been on a council, but I have been a director of a public authority and an alternate trustee of a superannuation fund. Professional advisers give us professional advice and we think that we should be able to take it. I make the point that we still need to ask questions. If a person selling a story cannot explain themselves, they probably do not know. They probably do not have the detailed knowledge that they need. Even with this additional regulatory power, councillors still need to remember that if they do not understand, they should not agree to it. Even a AAA stamp, as the GFC proved, does not give us protection.

I want to go on to a couple of other issues that are tangentially related to the bill. I call for action to implement the recommendations of the Public Accounts Committee's fourth report of the thirty-seventh Parliament from 2006. I have the recommendations here. I draw the minister's attention to recommendation 3 —

The Public Accounts Committee recommends that the Auditor General should audit no more than 15 per cent of councils on a rotating basis, with the remainder to be tendered out to the private sector.

This was an idea to allow a sort of sampling audit on a rolling basis by the Auditor General. A council does not exist in its own right; it is a creature of this Parliament. Councils collect ratepayers' money, but they spend it on behalf of the Parliament of Western Australia. Therefore, it is only appropriate that a process looks at what councils do. Using the Auditor General to do that would be a good step in my view. When that recommendation came down, the Labor government said that it would consult widely with the community. It did that, but then the government changed. A new government came in, and no further action has been taken on the report. That is not a criticism of the minister in any way at all, but we need to look at that matter. Recommendation 4 of the report states —

The parameters of audit for the Western Australian local government sector should be set by the State Auditor General to ensure consistency of reporting across the State.

The point is that the audits are financial audits. No efficiency measures are looked at as they are in public sector audits. If a broader process of auditing were conducted, it would be helpful to local government. It was a good report. The member for Mindarie was the chairman. People who have a particular interest in local government should read that report. It is a very worthwhile report and, like all committee reports, it is not a partisan report. It is a genuine review by a cross-section of Parliament. It would be worthwhile for the minister to have a look at the report again and to follow through on some of those recommendations.

I finish with a quick discussion about local government elections. Local government elections were held last month. Some councils have had good-quality people elected; some councils have people whom I would not have voted for but who other people obviously thought were very good. We all make value judgements in these matters, but we should think about a couple of things. The first is the declining turnout of electors. Trouble starts with legitimacy when fewer than one in four eligible electors cast a ballot. How can a council claim to have a right to act on behalf of people if it does not even represent a minority of the electorate but is elected by only a small splinter group? In the City of Gosnells, which has no wards, 100 000 electors can effectively participate in a ballot. It is impossible for councillors to conduct an effective campaign among all those electors. Even if they did, the money they would have to spend to reach that number of electors would be more than the amount involved in a campaign in a federal electorate. It would cost literally hundreds of thousands of dollars to communicate effectively with such a large audience. That is not a sensible outcome, particularly when we think about what councillors get out of their election: they get to be a councillor, which is a great contribution to the community, but it is not really a personal reward. What sort of people would spend all that money to conduct such an incredible campaign?

Another aspect of local government elections is first-past-the-post voting. Again, the City of Gosnells demonstrates why this is a ridiculous system for the election of councillors. It encourages factionalism. It encourages minority participation. Of the six councillors elected to the City of Gosnells, four got up on a single ticket. If local government had a proportional representation system, the City of Gosnells would not have had four people elected on that ticket. It was only because of the first-past-the-post voting that that faction was elected to council. I issued a challenge to those four people in that faction. I said, "Let's see you demonstrate your independence by how you vote." The following night at a council meeting a vote was taken for mayor, and those four people voted as a bloc. I look forward to meeting the new mayor in the next couple of weeks.

**Mr M.P. Whitely:** Dave Griffiths, is it?

**Mr W.J. JOHNSTON:** David Griffiths, yes.

My point is that there is now a faction on the council. That faction would not have been elected if local government elections had continued with proportional representation—PR. That was exactly what the Labor Party said when local government election amendments were brought into this place two years ago. The minister said he was introducing that system because the Western Australian Local Government Association asked for it. What WALGA asked for was a bad idea, and that goes to the heart of democracy. A range of views need to be represented if local government is to be effective. To allow factionalism to come in through the first-past-the-post system is not a positive development. I think we need to go back and review that system.

As the minister knows, the opposition is opposing one provision of the bill but is otherwise generally supportive of it. I thank members for listening.

**MR C.J. TALLENTIRE (Gosnells)** [12.04 pm]: I, too, rise to support the Local Government Amendment Bill 2011. I note that our lead speaker and others have addressed certain points of contention that we wish to raise about the nature of the bill, but broadly speaking we support it.

I would like, though, to turn to the issue of local government in general and the election process that has just run its course. I begin by acknowledging the contribution to the City of Gosnells made by former mayor Olwen Searle. She did an excellent job as mayor over a number of years. Unfortunately, through the election process, she has found that she is still a councillor at the City of Gosnells but no longer mayor. I congratulate the new mayor, Mayor Dave Griffiths, on coming to that position of great importance at the City of Gosnells.

I think we do need to look at the electoral system that was used at the City of Gosnells, as it resulted in the absurd situation of 19 people going for six positions of councillor. The City of Gosnells has abandoned the ward system. That is very frustrating for many of my constituents who come to me as the state member of Parliament with local issues that are primarily matters for local government. They ask for my intervention because they cannot find their local ward councillor; that is because there is no ward councillor. The idea that all councillors have equal responsibility and equal interest in all matters across the whole of the City of Gosnells just does not

work. People like to feel that they can approach a ward councillor who lives in their neighbourhood and who understands exactly what it is they are talking about. Their concern might be to do with a neighbour's overhanging tree or about the upkeep of the local playground or potholes in their street. They like to feel that they can talk to someone who lives in close proximity to that issue of concern to them. To me, therefore, the abandonment of the ward system in the City of Gosnells was a mistake. My understanding is that the City of Gosnells is unique in Western Australia in having abandoned the ward system.

**Mr M.P. Whitely:** Bassendean has, which is a much, much smaller council, and it is not a problem the way it is in the City of Gosnells.

**Mr C.J. TALLENTIRE:** I thank the member for Bassendean for that. I strongly counsel other councils not to go down this route. The argument being put by the City of Gosnells at the moment is that it is perhaps a temporary phase because of the difficulties associated with changing ward boundaries each time there is a population shift. I am told that changing the ward boundaries is a costly process, as is a by-election; whereas by not having ward councillors, the City of Gosnells does not have to worry about having a by-election should a councillor resign or no longer be able to carry out their duties.

I think, though, that the costs do not at all justify taking this approach. I was concerned to see in the local paper, the *Gosnells Examiner*, comment made by an officer at the Western Australian Electoral Commission suggesting that there was a trend nationally towards the abandonment of the ward system. I do not think that is a fair indication of how local government operates in Western Australia. Obviously, in other states there is a high degree of politicisation of local government. That is something that, quite rightly, we have done well in Western Australia; we have avoided politicisation of local government. That is something we should be proud of and should continue with. The situation therefore arose of 19 people going for six positions. As the member for Cannington said, to campaign effectively across the whole of the City of Gosnells would have been a huge task. If people had been really serious about contacting everyone potentially able to vote for them, they would have had to spend a phenomenal amount of money and would have had to campaign across an area bigger than a federal electorate. That is, therefore, a real difficulty with that situation. It meant that people were not able to know who they were voting for. Little biographies of 100 to 150 words come out with the voting bulletin; they tell us very little. I do not think it is reasonable to expect people to understand who they are voting for based on those little bios. The conscientious voting ratepayer will have to phone around, in this case, to all 19 candidates to really know who they are voting for. As the member for Cannington said, there was also the emergence of voting tickets. I think ticket formations are understandable and reasonable if the voter knows the common values of those on the ticket, but that was not the case here at all. It works if a candidate is running for the Labor Party or the Liberal Party; a voter can understand the values that are being represented by the candidate, but when candidates form a ticket just for the sake of convenience in marketing themselves through some kind of loose alliance, it is not a good enough reason for a ticket formation. However, that inevitably happens when we have this number of candidates running for election under the first-past-the-post system, because the candidates forming the ticket do not determine the person who should lead the ticket. They do not have to be up-front about that; it is all just down to ticks on a ballot sheet. It is a disappointing system.

The real test of the system is the voter turnout; we had a terribly low turnout for the City of Gosnells local government elections. The Minister for Local Government might be able to confirm this for me, but I suspect it was one of the lowest in the state at 22.7 per cent. That is not good enough; we need a far better turnout than that to have good community engagement and involvement in our local government.

Some councillors commented that the Department of Local Government and the Electoral Commission's promotion of involvement in this local government election round was very much focused on people running for council rather than encouraging people to find out about the candidates. I am not sure that that is the case, but it is an interesting point. It is a good thing to encourage people to put their hand up and run for council, but we also need to encourage people to have enough confidence in the system we have to be involved in it by voting, and to find out who they want to vote for. That, perhaps, is a necessary refinement for the promotion of local government.

I now turn to other aspects relating to the Local Government Amendment Bill 2011. There is an amendment to fees for council members and remuneration for chief executive officers. Obviously this is a big issue. When people very generously give of their time, energy and effort to become local government councillors, it is reasonable to expect that they are correctly remunerated. I look forward to the day when the rate of remuneration is consistent with the effort put in by people who work hard as councillors.

I look forward to debating this bill further in consideration in detail, and I am happy to support nearly all aspects of it. I hope the Minister for Local Government has taken on board my concerns, especially about first-past-the-post voting and the abandonment of the ward system.

**MR I.C. BLAYNEY (Geraldton)** [12.13 pm]: I will speak briefly. I am very supportive of the changes in the Local Government Amendment Bill, and I think it will lead to a better outcome for local government in Western Australia. I have always considered it inappropriate for a person to hold both state and local government office; I point out an example in Sydney, where Clover Moore is both Lord Mayor of the City of Sydney and an Independent member of the New South Wales state Parliament. I do not hold Clover Moore personally responsible for Sydney's economic performance over the past decade or so, but it has been dismal and has dragged down both New South Wales and the rest of the country. Having someone occupy both those positions demonstrates the point that they should not be occupied by one person.

It is a very good idea for the Salaries and Allowances Tribunal to set the salary level of local government CEOs; it is absolutely crazy for a council CEO to earn more than the Prime Minister or a state Premier. I really do not like the system of setting bonuses; in my experience, this is done in secrecy, behind closed doors, and the amounts given as bonuses are not disclosed, so there is no accountability. The people who decide the amount of the bonus to be given to the CEO are not qualified to do so, and I do not really see how one can measure the performance of a CEO in the first place. No doubt, personalities intrude, but as far as I am concerned, council CEOs are professional public servants and bonuses are not appropriate.

There is an issue with the question of fees and allowances to councillors. We should decide what role councillors play. Like the member for Mandurah, I refer to the example of the Sunshine Coast in Queensland, where a councillor earns \$120 000 a year plus a car. That is pretty close to what we get as state members of Parliament. If that is the type of local government we want, we should decide that. I do not think that the large council, board of directors approach is really what ratepayers want and expect, but if that is the model we want to follow, we may as well be up-front about it.

I refer now to the issue of investments for local councils. Not long after becoming a local member, one of the first letters I wrote was to the Minister for Local Government on this subject, because my council was one of the ones that had money in investments, and I think we lost somewhere between \$2 million and \$3 million. The nature of government is such that security of funds and low risk are paramount; I certainly do not think there would be any argument from ratepayers on that issue. Ironically, the rules had to be changed to allow my local council to invest funds in Bendigo Bank. The rules obviously needed attention, but it is unfortunate that so much money is being lost before it is brought to attention.

The minister has explained to me why he wants the power to suspend councils for six months, and I think he has put a very reasonable proposition to the house. On the matter of elections, I would suggest that, since we are going to fixed terms for state Parliament, we have council elections every four years. Voting could remain voluntary, but when people turn up to vote in a state election, they could be offered the opportunity to vote in local government elections at the same time.

**Dr M.D. Nahan:** Have the two elections at the same time?

**Mr I.C. BLAYNEY:** At the same time, but we would have elections every four years instead of every two years.

**Mr P. Papalia:** How confusing do you think that would be? Noting the stupid system allowable in local government where they can tick or cross a vote, is that acceptable if, at the same time, the same person is voting in state or federal elections, where they have to number their preferences?

**Mr I.C. BLAYNEY:** That is a fair point; we might have to consider making it uniform. I agree.

**Mr P. Papalia:** I think it's the wrong system; I think we've made a mistake with that.

**Mr I.C. BLAYNEY:** Personally, I would like to elect judges and police chiefs at the same time, but I am sure the member would not agree with me there either.

**Mr P. Papalia:** You're living in the wrong country! Go to America!

**Mr M.P. Whitely:** We could have a totally functional system like they've got in the US! My God!

**Mr I.C. BLAYNEY:** There is nowhere else I would rather live than here.

I have a theory about levels of government; people's level of interest and involvement in government is inversely proportionate to the level of power that governments have. I have noticed in my area that ratepayers really closely examine what local government does, but they have a low level of contact with and interest in state government, although there is still a fair degree of interest. There is quite a low level of interest in what federal government does, and we all know that that is where all the money and power is these days. But there is, of course, a very strong sense of ownership. In a lot of the communities in my region—Three Springs is mentioned quite often—the local government is the major institution in the community. Of course, when we get out into the mining and pastoral country, the shires are already huge; but, once again, the local governments are the major

Acting Speaker; Mr Paul Papalia; Mr Joe Francis; Mr David Templeman; Mr Michael Sutherland; Mr Bill Johnston; Mr Chris Tallentire; Mr Ian Blayney; Mr Fran Logan; Dr Mike Nahan

---

institution in quite a few of those communities. Certainly if we talk about the Kimberley, for example, which is twice the size of Victoria, with four local governments, I cannot see how we could possibly amalgamate those councils.

On the question of the growth and amalgamation of councils in regional areas, I think that if we amalgamate local councils much more, local governments will start to grow into a different beast. Local governments are already starting to see themselves as regional governments. I think that the term used by the member for Cannington—mission creep—is quite appropriate. They will start to see themselves as the most important level of government. They already would like to take over most state powers. There is also a clear increase in duplication. I think that we need to face up to this one and decide where we want to go, and start putting in boundaries so that this increase in duplication and mission creep will come to an end. I do not clearly understand the increase in cost effectiveness once local governments get to a certain size. I have observed that chief executive officers, under this board of directors' model, become all powerful. I think we do away with committees at our peril. There is certainly in my opinion less accountability for ratepayers. So, if we want to go down this path, okay, we can do that; we can put a template in place and push them all down this path. But otherwise, as I have said, we should put a line in the sand. I do not think these very large local government bodies are really what most ratepayers want. On the question of mission creep again, I went to China last year and met with a few county level governments, and I found it interesting that they all had foreign affairs departments; and I thought: why? There is no logical reason for that.

Personally, when it comes to how large we should grow city councils, I do not have any strong feelings about this. But in rural areas, if people are happy with their councils as they exist, and the councils are functioning, I do not see any reason to grow the size of them. As I said, in the Mining and Pastoral Region, the areas that are covered now are quite large and I cannot see any economies or efficiencies that will grow out of amalgamating them.

Finally, I would like to pay credit to all the councillors I have observed in my time throughout the bush. They have a very important role. In nearly all cases they take their role very seriously, and I think they do a very good job.

**MR F.M. LOGAN (Cockburn)** [12.22 pm]: I want to make a contribution to the Local Government Amendment Bill as well and firstly indicate to the minister that the opposition supports the changes that the minister is seeking to the Local Government Act.

Like the member for Cannington, I would like to raise an issue about the responsibilities of local government. I am not sure whether this bill will specifically address that issue. It makes some attempt to address that issue, but I am not sure that this bill will have the impact that the minister believes it will. That is the issue that both the member for Cannington and the member for Geraldton have raised about mission creep and about where local government sees its responsibility as starting and finishing. I am very pleased that the minister has put into the bill a provision that will create a new head of power to enable regulations to be made to regulate the types of investments that local governments may make. I think the minister is right because, by doing that, it will provide a level of control over mission creep. I am not too sure, though, that it will take away the impetus that is there, particularly among chief executive officers and their staff, to want to have greater and greater power. That is exactly what happens. Politics is about power. We see the tension all the time between the federal and state levels of government, and we get that tension equally between local government and state government. That is because all three arms of government are centres of power, and when we get those centres of power, we will get jockeying for a greater share of power than previously may have been allocated by way of a local government bill or by way of a constitution. That happens, always. That is the nature of human society. Local government in Western Australia has been on a push for many, many years to increase its involvement in areas of responsibility that normally would come under the auspices of the state, and sometimes under the auspices of the commonwealth government as well.

Local government in this state also has been pushing into areas that are currently determined by the market and the private sector. We see that happen all the time. I will give the minister some examples from my own area, the City of Cockburn. Until the global financial crisis wiped out the possibility of this project going ahead, the City of Cockburn was planning to do a joint venture with a developer for a 17-storey apartment tower outside Cockburn central railway station.

**Dr M.D. Nahan:** Was that next to the station?

**Mr F.M. LOGAN:** It was right next to the railway station. The concept was beautiful—beautiful—and I strongly supported the idea of a 17-storey tower there. I thought that the objective of having an anchor building and an icon in that area for the development of Cockburn Central as part of one of the new, I think it is, second-tier, planning satellite towns was fantastic. But really, minister, is it the responsibility of the ratepayers of

Acting Speaker; Mr Paul Papalia; Mr Joe Francis; Mr David Templeman; Mr Michael Sutherland; Mr Bill Johnston; Mr Chris Tallentire; Mr Ian Blayney; Mr Fran Logan; Dr Mike Nahan

---

Cockburn to have the money that they have paid as rates invested in such a way as the building of a 17-storey apartment block? I am not too sure that it is. While I agreed with the concept and supported it, I certainly raised questions with councillors about: is this the wisest form of investment that they can make; and is this the type of investment that is fluid enough to enable the council to get its money out and use it for the purposes for which it was paid in the first place, namely to provide services to the ratepayers of Cockburn? That is one example.

A current example is the medical centre that is being built by the City of Cockburn on the corner of Wentworth Avenue and Beeliar Drive. This is a part of the federal government's investment in super clinics. It is a \$6 million investment by the federal government. It is fantastic; a perfect location; a great investment for the growth areas of the southern suburbs; a terrific proposal. When it comes to the local government's involvement, the City of Cockburn is providing the land for that investment. Fine; I have no problems with that. It is actually a community investment, in which the contribution made by the City of Cockburn will be the land itself. But, no—the City of Cockburn has now taken over the whole project. It has taken the commonwealth money, and now it is doing the entire project. It is not just providing the land, it is building the entire project and it is going to manage the entire project. It is on the same site as Cockburn Gateway. That is an investment structure whereby the company that owns the Gateway shopping centre basically owns all the buildings on that site, including places like the BP service station and the pub, for example. They are built by the company and then leased back to BP and to the manager of the pub, because that is their investment model. Members might think that it would have been more sensible to let the private sector build that medical centre, because that is probably a better use of ratepayers' money. I have no problems with the City of Cockburn being involved, but I question its strategy of accumulating a significant amount of ratepayers' money and using it for investments in capital projects such as medical centres. I am not knocking the medical centre—it has to be built and it is great—but it could have easily been done by the company that owns the rest of the site at Gateway shopping centre, resulting in less risk for the ratepayers of Cockburn and a more appropriate use of their rates that were accumulated for whatever investment purposes.

The second reading speech states that the bill provides —

... a new head of power to enable regulations to be made to regulate the types of investments in which local governments may invest their money;

But what about a cap on the amount of money a local government can accumulate? I know the City of Coburn has accumulated —

A member interjected.

**Mr F.M. LOGAN:** I refer to accumulated ratepayers' money that will be used for investment.

**Mr G.M. Castrilli:** How much?

**Mr F.M. LOGAN:** I would not know where to start in terms of what cap to be put on, but I am just putting this to the minister as an example. I am not 100 per cent sure of the total investment dollar in the City of Cockburn, but it has been fed back to me that it could be up to \$100 million. That is a huge amount of ratepayers' money being used for investment rather than services. At that point we have to ask, "Hang on; what is the role of local government? Is it a business that is there to generate cash for its own purposes?"

**Mr J.M. Francis** interjected.

**Mr F.M. LOGAN:** I actually did not hear the member for Jandakot's contribution, but I know we share a common feeling on this issue.

Although the provision, quite rightly I think, seeks to determine how that money is invested and the types of investment that local governments can put their money into, it has not gone to the point of what is a fair and reasonable level of investment for each council. It would be different from council to council; that is why I could not answer the minister when he asked about the level of cap I would put on it.

**Mr G.M. Castrilli:** I was just saying it is a broad-ranging question, what the member is talking about, which is not part of this legislation. But, anyway, I understand where the member is coming from.

**Mr F.M. LOGAN:** Yes. I do argue, though, minister, that it needs to be looked at. At the end of the day, ratepayers pay their money for services to be provided.

**Mr G.M. Castrilli:** Exactly.

**Mr F.M. LOGAN:** They are not paying it so that, primarily, the staff of the council can think they are hedge fund traders.

**Mr G.M. Castrilli:** Exactly.

Acting Speaker; Mr Paul Papalia; Mr Joe Francis; Mr David Templeman; Mr Michael Sutherland; Mr Bill Johnston; Mr Chris Tallentire; Mr Ian Blayney; Mr Fran Logan; Dr Mike Nahan

---

**Mr F.M. LOGAN:** It is just not on, and it needs to be examined.

In terms of the comments about the recent elections and voter turnout, and the comments about compulsory voting, I honestly believe that the minister made a bad call in going back to first-past-the-post. We made those comments—I will not labour them—when the minister brought it to this place a year or so ago. The recent voter turnout in the City of Cockburn was just less than 33 per cent. The candidates said, “Great! Fantastic! Brilliant! It means we save on the money we have to spend on campaigning, and it means the efforts we have to put in to get the percentage of that 33 per cent that will get us over the line is minimal”, but I do not think it encourages democracy and community involvement at local government level. I think it does the opposite, and I strongly urge the minister to re-examine it. I know and understand why the minister did it, but I still think it was a wrong call, and the minister knows that there are people on his own side who think it was a wrong call.

In terms of the local turnout and the election of new councillors, despite my criticism about the poor turnout and local involvement, the election, nevertheless, turned up a great group of people, one of whom has been re-elected to the City of Cockburn—namely, Carol Reeve-Fowkes; I congratulate her. There are three new councillors—namely, Yaz Mubarakai and Steven Portelli for the east ward, and Stephen Pratt; both Stephen Pratt and Carol Reeve-Fowkes are for the central ward. They are all great local community representatives and they work hard. They worked hard before they got into council—Carol Reeve-Fowkes has always worked hard on council—and they are now doing a great job on council. I congratulate all of them on their election and wish them all the very best for their four years on the City of Cockburn council. As I say, I think it is a bad reflection on the process that only 33 per cent of the community turned out to vote.

I am really glad that the powers to impose service charges on underground power have been clarified; I think it is a good thing. When I was Minister for Energy, I had a significant debate—and I mean a significant debate—with the member for Churchlands, who just could not get the idea of local government imposing a charge on local residents. Despite me explaining it to the member for Churchlands over and over again, she thought it was the responsibility of state government to pick up the whole freight on the undergrounding of power—that is why things became more and more heated in the debate. I think what the minister is doing in clarifying the powers of local councils is very good, but one thing I think might be missing from this, minister—I ask for the minister’s opinion—is something about people who are on a low income, or pensioners, who are seeking support for their contribution to the charge being levied on them for the undergrounding of power. I believe that assistance still comes from the state government; I do not think a cent comes from local government. Maybe that might be a local government responsibility.

**Mr G.M. Castrilli:** The pensioners can still claim their rebate.

**Mr F.M. LOGAN:** That is right; they do. But my understanding is that that freight is then not picked up by Western Power or local government; it comes back to the state government, which makes that contribution for and on behalf of pensioners. However, there should be a further change in the way in which local councils recoup charges for the undergrounding of power for those who are not pensioners but are on low incomes. It may well be assistance to local people, or a reduction in the cost of that charge to those low-income earners; again, there could be a threshold on the income level as to who pays the full amount and who pays a partial amount. That was something I was looking at when I was Minister for Energy. Otherwise, we end up with the situation of councils just not taking on the undergrounding of power in certain areas because they know that people cannot afford to pay the levy in those areas. We would then end up with the more wealthy suburbs having underground power, and suburbs with low income levels not having underground power. This will be because councils will not put their hands up for underground power because they know they will not get their money back or they will have trouble getting their money back, or the residents in that area, having looked at the charge, will vote against it. One of the ways of overcoming that is to get local governments to spend a bit of that accumulated cash they have by helping some of their ratepayers achieve underground power.

Regarding the fact that the Salaries and Allowances Tribunal is looking at both the income levels of CEOs of councils and the fees paid to councillors, I strongly support the amendments the minister is making to the bill.

[Member’s time extended.]

**Mr F.M. LOGAN:** Perhaps the minister has this information off the top of his head because he has now been the minister for three years, but what would be the average salary for a CEO of councils in Western Australia?

**Mr G.M. Castrilli:** Do you want me to answer now?

**Mr F.M. LOGAN:** Yes.

**Mr G.M. Castrilli:** I do not have that sum. They are in bandwidths that start from \$120 000, I think, and some CEOs get much more than the Premier because about 40 per cent of local governments pay over the odds of the recommendations by the Salaries and Allowances Tribunal.

**Mr F.M. LOGAN:** It would be interesting to have a look at those figures, minister.

**Mr P. Papalia:** I have asked that the document be tabled.

**Mr F.M. LOGAN:** If the minister has that information, it would be interesting for the house.

**Mr G.M. Castrilli:** I can get you the bandwidth.

**Mr F.M. LOGAN:** It would be interesting for members of the house to have a look at that, because it regards a subject that has been raised by members on both sides and I think it would be very interesting for state parliamentarians to look at those figures. When, for example, the CEO of the City of Cockburn is asked to table, or at least explain to local newspapers, how much money he is on, he just refuses point-blank to provide that information.

**Mr J.M. Francis:** But he's one of the best CEOs in Perth!

**Mr F.M. LOGAN:** Well, that is the member for Jandakot's opinion, because the member might see him as being on his side of the fence! I am not too sure whether I share that opinion. I think he is a very capable CEO; I would certainly not criticise his capability, but it depends on how much that capability is worth. Although he is a very capable CEO, in my years in Parliament I have met quite a few CEOs of local councils who may not be up to that level, but they are probably on the same amount of money, or more.

**Mr G.M. Castrilli:** I don't think I have to tell you what they're getting, because it is part of what it is at the moment. But I think I can, and I will double-check and give the member the bandwidths of the recommendations. Obviously, what councils pay their CEOs after seeing those recommendations is up to them, but at least I can give the member those bandwidths.

**Mr F.M. LOGAN:** I think the very fact that this amendment actually brings that decision-making authority, or at least a review of it, under the SAT, rather than leaving it in the hands of councillors, who could probably be influenced by the CEO as to what they should get, is a very good thing, because it is about value for money for ratepayers and what is an appropriate remuneration for and on behalf of the state government as well. Similarly, I agreed with the arguments put forward by the member for Cannington about councillors' fees. I think it is great that the Salaries and Allowances Tribunal will have a look at those fees, but as the member for Cannington said, and he is right, they should be minimal. It is a voluntary role and we should never take that away from the running of local government. Councillors are community representatives; it is not a full-time job. If their workload gets too great it is not a question of fixing their workload by paying them more, it is a question of looking at their workload.

**Mr G.M. Castrilli:** If I can just say to the member that as the member for Gosnells or Cannington said—I'm not sure who said it—it is not my intention to make it a full-time position, far from it.

**Mr F.M. LOGAN:** Good. Well done, minister, I think that is a very good move that will be supported by all ratepayers in Western Australia. I know that the minister gets a lot of complaints from councillors, and a lot of whingeing and griping from councils over various issues, and this issue about their workload comes up a lot. I hear it myself from councillors in the City of Cockburn and I know the minister does as well. That brings us to the point of mission creep: why is their workload increasing? It is because the staff of councils want to get more and more power from either the federal or state governments or make massive investments on behalf of ratepayers, and therefore there are more decisions, and more complex decisions, that need to be made, hence more paperwork, and the councillors feel like they are under pressure.

**Mr G.M. Castrilli:** I agree and I think it is up to the councillors themselves to always re-examine the way they do business. Are all these committees that we have set up absolutely necessary? Instead of spending time on all these committees, we should ask if they are necessary. Can we get rid of most of them or some of them and concentrate on the real game? This is what the whole thing is about.

**Mr F.M. LOGAN:** I agree. It is interesting that the minister makes that interjection, because, as he knows, after every council election there is always this divvying up of responsibilities and committees. That takes up half their time; everyone wants to be on every particular committee because they think that being on that committee will gain them some sort of influence on I do not know what. There are significant numbers of subcommittees set up by local councils and I agree with the minister that their responsibilities and input to the final decision making in a local council should be questioned. As the minister says, councillors should question those, particularly if they complain at the same time about their workload. They are in charge of creating their own

workload; if they want to minimise it, they can, but they have to make those decisions themselves. Once again, I indicate the Labor Party's support of the bill and ask the minister if he would take on board some of those issues I raised, particularly those about investment and the control of the level of investments that councils can make.

**DR M.D. NAHAN (Riverton)** [12.46 pm]: I would like to make a few comments on the Local Government Amendment Bill 2011. I think this has been a very constructive debate. Too often in this house we look down on local government. I think it undertakes a very important role and we have to have caution that we do not do what the commonwealth does to the states. In reality, what counts to most people in our electorates is what the local governments deal with—local issues, whether it be trees or roads or whatnot—and we get involved in those very extensively. If we believe in democracy and we believe in a federal system, we should ensure that we preserve, enhance and support local government. I support this bill and indeed would like to make a couple of statements for the minister to include some additional types of activities in the future.

I admire the local councillors I know, particularly those of the City of Canning. They do a lot of work that comes at the cost of their families and their other activities, and they have to spend a great deal of money out of their pockets on driving, clothes and other things, and to campaign. I think it is a very good idea to, first, consider increasing the stipend; and, second, give it to a body that does so in a neutral and sophisticated manner, and also considers the different cost structures that the stipend needs to be based on from one shire or city council to the next. It is an excellent move and needs to be considered. As to CEOs, as a former public servant, of some decades ago I might add, I am pretty astounded at the rate and level of increase in salaries at senior level across the public sector at the state and federal level. I think the head of the Reserve Bank of Australia now gets \$1 million a year and most senior officials in the commonwealth receive \$400 000 to \$500 000, and that is excluding all their superannuation, which would increase those figures significantly. This also occurs across our state. We have had debates about the salaries of senior people working for the utilities, but this also applies to local government. There should be a requirement that all salary packages, including all their detail, should be totally transparent. There is absolutely no reason for the CEOs of these councils to have any excuse not to disclose their salaries in full as part of their job. I note that they work in the public sector and that contractual arrangements have changed in recent times, but they have a duty to disclose.

I would like to comment on a couple of local government matters, particularly the issue of the minister's right to suspend council activity. When we look at the dynamics of local government, we see how some can easily be captured by people. I am not referring to any local council, because I do not know them that well. It is very easy to see how a councillor can be overworked, and, as the member for Jandakot said, the way we remunerate or reimburse councillors' costs could preclude a whole range of people from considering local council representation.

Debate interrupted, pursuant to standing orders.

[Continued on page 9383.]