

LOCAL GOVERNMENT — AMALGAMATIONS

**450. Dr A.D. BUTI to the Minister for Local Government:**

I refer to the minister's recent meeting on 23 May with representatives of the newly formed Community Action Alliance. Can the minister confirm that he made the following remarks or statements to the group: firstly, that the amalgamation process was flawed and done the wrong way around; secondly, that he embarked on the amalgamation exercise without a business case; and, thirdly, that the \$5 million grant from the state government for the first year of the amalgamation process will be spent on consultants to estimate the cost of amalgamation and thus the state government will not contribute to the local government cost of amalgamation?

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

I thank the member for the question about the meeting we had. The group that came to see me represented a number of action groups from around the metropolitan area. For one and a half hours we discussed a number of issues and I will touch on a couple of them. We discussed the \$5 million available in this year's budget, so it was a conversation piece about determining the cost of the local government amalgamations and how it will be paid for. I do not know how many local governments there will be because I do not know what the final boundaries will be, but this year an amount of \$5 million is available for local government. Once we know the final boundaries, local governments can do some work; they can get in consultants or do other preliminary works to find out those costs. Money will be given to the local governments to do that costing and come back to me. We have allocated that in this year's budget as part of the reform process. We do not know whether they will go to consultants in general; it will be up to each local government. They have to put a case to explain what the cost of the reform will be. As we all know, another \$15 million in cash and \$45 million in low-interest loans is also allocated to the process.

We discussed the local government reform process. To make a case available for the community to discuss and look at the benefits is a job of the Local Government Advisory Board. I tried to explain to them I am using the 1995 act, which is quite a cumbersome piece of legislation to work through, for the reform process. The irony is that it provides quite clearly what I have to present to the Local Government Advisory Board for an amalgamation or boundary adjustment. I have provided the required facts and figures to the advisory board for it to make its case. It is part of the advisory board's job to look at the five parameters. We are working on that work with the advisory board —

**Mr M. McGowan:** Did you say it was flawed and done the wrong way around?

**Mr A.J. SIMPSON:** No. The conversation was about how it could possibly work. I have been in this job for 15 months and I admit that the reform process has been challenging.

**Dr A.D. Buti:** I raise a matter of relevance. My question was quite clear. Can the minister confirm that he made the statement that the amalgamation process was flawed and done the wrong way around?

**Mr A.J. SIMPSON:** No, I can say that the conversation was on the actual reform process.

**Dr A.D. Buti** interjected.

**The SPEAKER:** Member for Armadale! Let the minister answer.

**Mr A.J. SIMPSON:** The conversation was around which way to approach the reform process. Under the legislation available to me, this is the way I would go through it. If I had my time again, maybe I could have gone a different way about it. If we were to go through the process to come up with the financial modelling, we would be arguing about the boundary adjustment—where that boundary lies and where the amalgamation is. Whatever way we start this process, there has to be an end product and final package.