

LOAN BILL 2003

Second Reading

Resumed from an earlier stage of the sitting.

MR R.F. JOHNSON (Hillarys) [3.04 pm]: I started my contribution to this debate prior to the lunchbreak. I spoke for about two minutes, during which I gave a little taste -

Ms A.J. MacTiernan: Two minutes too long, too!

Mr R.F. JOHNSON: As I was saying, I gave a little taste of what I would say in this debate. I was accusing the Premier, his ministers and his Government of abusing taxpayers' funds for political purposes. Some people in the media contacted me during the lunchbreak and asked me for a little more detail, because that is the sort of thing that whets their appetite.

The SPEAKER: It must have been a very interesting two minutes!

Mr R.F. JOHNSON: It was a very interesting two minutes; it was enough to whet the appetites of some people in the media. I am talking about the Premier of this State abusing taxpayers' funds for political purposes. I will reiterate what I said before the lunchbreak because a lot of members were not in the Chamber then. I referred initially to an article that appeared in *The West Australian* on Wednesday, 21 May, the headline of which reads "Putting a \$10m spin on Labor". The Premier has cut back spending in a number of important areas that need extra expenditure, but where has he increased expenditure? He has increased expenditure on the bunker in St Georges Terrace known as the Government Media Office. He has increased the number of media advisers, consultants and public relations and marketing people at the GMO, as well as throughout all ministerial offices. What am I saying? It was a \$10 million article on Labor spin. I am certain that the Premier learnt this from Tony Blair and I am certain that the Premier's chief spin doctor had very prolonged meetings with Tony Blair's chief spin doctor.

Mr N.R. Marlborough interjected.

Mr R.F. JOHNSON: Mr Acting Speaker, the member is walking about the Chamber; he is not in his seat.

The ACTING SPEAKER (Mr A.D. McRae): The member for Peel cannot enter into the debate while he is not in his seat.

Mr R.F. JOHNSON: What am I talking about? How many staff does the Department of the Premier and Cabinet have? It has 48 employees, including advisers to each minister. What did the Premier say when he was confronted with this accusation? He did not want to admit to it at first. He said that the 48 employees were primarily involved in organising regional cabinet meetings. I used to be cabinet secretary and I used to organise the regional cabinet meetings for the Court Government. I did that for just over two years. I can tell members that the people involved in organising regional cabinet meetings were the cabinet secretary, the assistant to the cabinet secretary and one other staff member. In those days it involved about two public servants - two people paid by the public purse, other than the cabinet secretary. What do we have today? All these media people are taking part in regional cabinet meetings. That was the Premier's excuse. They are not my words; they are his words as quoted in *The West Australian*. I did not pay much attention at the time, because I thought it was another excuse. The Premier is not open and accountable and never wants to go before the cameras unless it is good news. That is why, unfortunately, he has become known in the media as "Good News" Gallop - he is never around when it is bad news. However, I had another look at the article, which went on to say -

"They assist the members of Parliament in terms of the work they do in the community," he said.

I will repeat that: they assist the members of Parliament in terms of the work they do in the community.

Mr N.R. Marlborough: What is wrong with that?

Mr R.F. JOHNSON: I will tell the member for Peel what is wrong with that. I will tell him which members those people assist. They do not assist any members on this side of the House. They assist backbench Labor members in marginal seats. Taxpayers' money is funding media specialists and public relations opportunities for government backbench members. They are the only ones who receive the benefit. Neither the Premier nor any of his media staff, public relations or marketing staff has ever helped me in my community since he has been Premier, but I bet they have helped all the Labor backbenchers. That is illegal. The Premier of this State is not allowed to spend public money on party political purposes.

Mr N.R. Marlborough: He is not saying that.

Mr R.F. JOHNSON: I am telling the member what the Premier is quoted as saying. If the Premier has any guts, let him come back into the House. His minders and spin doctors are watching me on the screen at the moment.

Let him come out of his bunker and answer these accusations. Those members on the government side know it is true and I know it is true, but we will see neither hide nor hair of him because it is bad news for the Premier, so he will stay right out of this one. At the end of the day I hope the media does take this up.

Mr N.R. Marlborough interjected.

Mr R.F. JOHNSON: The public has already been informed. It is illegal to do this for party political purposes. The only members who have benefited from what this Premier has said in this press statement are Labor members. I do not know one member on this side of the House who has received any assistance for the work they do in the community from the Government Media Office - the enhanced bunker in St Georges Terrace run by the spin doctors. We now know how many spin doctors are down there and we know the importance the Premier places on that activity. Government members think I am just pulling this out of thin air. I will tell them where the Premier has done this. What do his spin doctors do down there?

Mr N.R. Marlborough: They assist you and the community.

Mr R.F. JOHNSON: No. Everyone knows what the intranet is about. Some members may not know.

Mr N.R. Marlborough: The Internet?

Mr R.F. JOHNSON: No, the intranet. The member for Peel may not because he is probably not up to date enough. He is one of the old-fashioned people who likes a quill and an inkpot. I will tell members how this media office in the Premier's department uses the intranet throughout all government agencies. The idea is to keep agencies informed of what is happening.

Mr N.R. Marlborough interjected.

Mr R.F. JOHNSON: This is very important. There is nothing wrong with the Government talking to its departments, but once those people use the intranet to support and promote backbench Labor members of Parliament, that is an abuse of that service and an abuse of taxpayers' funds. Does the member for Peel agree with that?

Mr N.R. Marlborough: No.

Mr R.F. JOHNSON: No. Of course he does not, because his Premier is allowing this to happen. I was given a copy of a print-out from the intranet -

Mr N.R. Marlborough interjected.

The ACTING SPEAKER (Mr A.D. McRae): Member for Peel, the Leader of the Opposition might have engaged you in cross-Chamber discussion, but the Leader of the Opposition does not have the floor and nor do you. Unless the member who holds the floor wants to engage the member for Peel in some discussion, he should desist.

Mr N.R. Marlborough: Thank you for your guidance, Mr Acting Speaker.

Mr R.F. JOHNSON: I have in my possession a print-out from the intranet. I will not say which department it has come from because I do not want anybody to get into trouble. This copy proves that Labor backbenchers are being promoted to about 40 000 people who have access to the intranet.

Mr N.R. Marlborough: Are those people within government departments?

Mr R.F. JOHNSON: Yes; Western Australians. The member for Peel keeps interjecting. I do not mind the odd interjection, but he is asking if that means that those people might vote for him. Absolutely, that is what will happen. If the member is promoted through the Government Media Office, which organises all the press releases and all this good news stuff that the Premier likes to espouse to the community, yes, that will go through to about 40 000 people. Some of those people may vote for the member. I will quote from this article. I can understand and accept ministers wanting to promote themselves within government departments. Ministers have their own media advisers and they can do that. It is obviously useful to know what ministers are doing, where they are, what they are going to do or what they have done, because that is an important part of communication. I will read to members something posted on the intranet that was received by 40 000 public servants -

Mr N.R. Marlborough interjected.

Point of Order

Mr C.J. BARNETT: The interjections by the member for Peel have been absolutely continuous. If the speaker on his feet, the member for Hillarys, wishes to engage in debate across the Chamber, he can do it. He was trying to read from a document and the interjections have been continuous -

Mr N.R. Marlborough: The speaker is capable of defending himself.

The ACTING SPEAKER: Order, member for Peel! I want to listen to the point of order without the member's interjections.

Mr C.J. BARNETT: The member for Peel has illustrated the point I make, Mr Acting Speaker.

The ACTING SPEAKER: I do not know whether the member for Peel heard me, but I gave him some guidance earlier when both he and the Leader of the Opposition were not allowing the speaker with the call to proceed; then, when the Leader of the Opposition stopped responding, the member for Peel continued his interjections. It is time for him to stop interjecting as well.

Debate Resumed

Mr R.F. JOHNSON: I want to share with the House the print-out from the intranet, which I received from a government agency. Any one of 40 000 people have access to this. This is like free advertising for backbench members. I want to read this print-out into *Hansard*. It is dated 4 September 2003, only a few days ago, and it states -

Collie Railway Station glory days . . .

During his first official visit to Collie as Minister for the South-West, Bob Kucera will present the Collie Railway Station Group with a \$22,000 cheque to help complete the reconstruction of the Collie Railway Station.

Mr Kucera said the plan to return the railway station to its former glory was an important community and heritage project. The State Government cheque represented the final instalment of a \$40,000 grant from the Department of Local Government and Regional Development.

That is fine; I do not mind that. That is news about the minister. It continues -

Mr Kucera said the original station - original named Coalville - opened in July 1898, with stationmaster James Telfer employed at an annual salary of 130 pounds (\$260).

"In its heyday, there were 12 sets of lines in the town centre, with eight coal trains passing through the town each day," he said.

"Collie was also busy with passenger traffic. Classed as a large station with an extended passenger platform, there were daily services between Collie and the mine at Cardiff, some eight kilometres away.

I am getting to the important part now -

"A morning train travelled 60km from Darkan, with a return trip in the evening.

"Passengers for Perth could take a daily service to Brunswick for a connecting service to the capital."

The new station is currently being built on exactly the same spot as the original station building, demolished in 1977.

This bit I am about to quote is a total abuse of taxpayers' funds from the Premier's coal bunker in St Georges Terrace. It continues -

"I commend the Collie Railway Station Group on this initiative that will see the revitalised Collie railway station become an important public transport link for the local community and visitors alike," Mr Kucera said.

That is okay. It should have finished there. This is the bit -

Collie MLA Mick Murray welcomed the latest injection of State Government funds.

This is in quotes now -

"This is a key tourism project for our community and ensures that we'll become a compulsory stop for serious train buffs!" Mr Murray said.

The reconstructed station will add to the overall tourist appeal with the South-West, and enhance the sense of history in the area.

The push to increase visitor numbers reflects the partnership between the State Government through the South West Development Commission, Shire of Collie, local business groups and the community.

That is the work of the Government Media Office on behalf of the backbench Labor member for Collie. He is in a marginal seat and that is a disgraceful expenditure of public money.

Ms A.J. MacTiernan: Is it your claim that you did not do this when you were in government?

Mr R.F. JOHNSON: That is correct.

Mr C.J. Barnett: Had Hon Bob Kucera praised the member for Collie in some way, it would have been stretching it, but it probably would have been acceptable. A backbencher who is not a member of the Executive cannot quote a government communication. That is a breach of the Act.

Mr R.F. JOHNSON: That is exactly what happened. Government members are very worried at the moment because they know that they are in a corner and that their re-election chances are not looking too good. They are therefore pulling out all the stops and spending public money to promote marginal seats. They do not have to worry about the member for Peel's electorate because they know they will win that seat. The Labor Party could stand a monkey in Peel wearing a red rosette with "Labor" written in the centre of it and the monkey would win the seat. It is a very strong Labor seat.

[Leave granted for the member's time to be extended.]

Mr R.F. JOHNSON: The Opposition is going to investigate what other backbench members have said. The Premier has displayed a disgraceful attitude towards opposition members at regional cabinet meetings. When I was cabinet secretary during the Court Government, all the local members were invited to regional cabinet social functions. A community luncheon always followed the meeting and very often -

Ms A.J. MacTiernan: Your members are invited to the community luncheons.

Mr R.F. JOHNSON: No, we are not.

Ms A.J. MacTiernan: Yes, you are; I have sat on tables with your members.

Mr M. McGowan: You are wrong.

Mr R.F. JOHNSON: This will embarrass the parliamentary secretary. Did the Government send me an invitation when it held its cabinet meeting in Joondalup?

Mr M. McGowan: I didn't go to Joondalup.

Mr R.F. JOHNSON: Yes, the member did. The city of Joondalup does not finish on the boundary of the member for Joondalup's electorate. It covers 100 per cent of my electorate and about 90 per cent of the member for Kingsley's electorate. Did I get invited? No I did not.

Mr A.P. O'Gorman: You did.

Mr R.F. JOHNSON: I did not. I do not tell lies in this House. I did not get an invitation. The first I knew that something was happening was when I drove past the Craigie Leisure Centre, which is in my electorate, where the community lunch was being held. I saw dozens of vehicles and wondered what was happening. I thought the Spice Girls were performing there. However, they were not; it was the community lunch paid for by taxpayers. Did the Government have the courtesy to invite the local member?

Mr A.P. O'Gorman interjected.

Mr R.F. JOHNSON: I can categorically say that the Government purposely did not invite me because it does not like inviting me to anything that the member for Joondalup attends.

Mr M. McGowan: You're an embarrassment.

Mr R.F. JOHNSON: The parliamentary secretary has just admitted that I was not invited because I am an embarrassment. That is probably the truth from his point of view. I might embarrass him because I tell the truth in my electorate.

Mr A.P. O'Gorman interjected.

Mr R.F. JOHNSON: When I was cabinet secretary and a community lunch was held in Rockingham or somewhere the member for Peel was invited.

Mr N.R. Marlborough: I was there.

Mr R.F. JOHNSON: I welcomed him to that cabinet luncheon. His presence was acknowledged.

I am not referring to the actual suburb of Joondalup, which is the size of a postage stamp compared with the size of Western Australia. If Cabinet is seeking to meet in particular electorates rather than in broader areas, its members should be ashamed of themselves. Talk about propping up a marginal seat! I bet the member for Wanneroo was invited.

Mrs D.J. Guise: Yes, I was.

Mr R.F. JOHNSON: The member for Wanneroo is also in a marginal seat.

Mr J.B. D'Orazio: I wasn't.

Mr R.F. JOHNSON: My friend, Stirling is nowhere near Joondalup. The member for Wanneroo's electorate encroaches on the city of Joondalup a tiny bit.

Mrs D.J. Guise: A little bit of Joondalup is in my electorate.

Mr R.F. JOHNSON: I accept that. However, the whole of my seat is in the city of Joondalup. Cabinet - not the cabinet secretary for whom I have a lot of respect - and the parliamentary secretary, who has much to do with the meetings, did not bother to invite me despite the \$10 million the Government is spending on regional cabinet meetings. I believe that exclusion was deliberate. Cabinet did not want me at its luncheon because I would possibly deflect some of the glory from the member for Joondalup. I say good luck to him; of course he should have been there, but I too should have had the courtesy of an invitation.

Mr A.P. O'Gorman interjected.

Mr R.F. JOHNSON: The member for Joondalup knows as well as I do that I was not invited and that there is no way that I would have been invited to that regional cabinet function.

Mr A.P. O'Gorman: I have no fear whatsoever of your being there.

Mr R.F. JOHNSON: I would not be invited to any social function, some of which are held in the evening. Usually local members of Parliament and members of the local council are invited to a function, but not this time. I bet the member for Joondalup was invited to the same function to which council members were invited. I bet a breakfast was held. Was I invited? No. I feel very hurt because I am very sensitive about these things. However, I am more sensitive about the way this Government has abolished sensible protocols attached to regional cabinet meetings. It stands condemned because it is spending its money purely on promoting its own Labor backbenchers in marginal seats. When the Government starts promoting people through its intranet, to which I estimate at least 40 000 people have access, it is an absolute disgrace. The Government has spent taxpayers' money to promote backbench members of the Labor Party.

Mr N.R. Marlborough: It is a technical error.

Mr R.F. JOHNSON: Technical error, my foot!

Mr N.R. Marlborough: The Leader of the Opposition said that if the minister had made the statement, it would have been okay.

Mr C.J. Barnett: A backbench member cannot comment as a member of the Executive.

Mr N.R. Marlborough: It's a technical error.

Mr C.J. Barnett: It's illegal.

Mr N.R. Marlborough interjected.

Mr R.F. JOHNSON: There is no question that it is illegal.

Mr M. McGowan: What provision of the Criminal Code is that in?

Mr R.F. JOHNSON: We have not finished with the member for Rockingham, who is in the thick of this. He is the Parliamentary Secretary to the Premier and he must carry the can, although he will not; he will pass it to the fall guy. He will not be around when anyone wants to ask him questions about accountability and spending taxpayers' funds on propping up backbench, marginal Labor members. The member for Peel will have to answer questions. My speech in this debate will not be the end of this. Members opposite will hear more on this score. The Premier has allowed the spin doctors in the media department of his own office to make massive and extravagant expenditure. They are not media advisers any more; they are spin doctors.

Mr N.R. Marlborough interjected.

Mr R.F. JOHNSON: That was a good interjection. The Premier is responsible for political advertising in support of the Ningaloo Reef decision. The advertising is aimed at making the Premier look good for saving the reef. His decision will probably result in its destruction.

Mr N.R. Marlborough: Are you a supporter of that development?

Mr R.F. JOHNSON: The Premier wants people to continue to camp at Coral Bay. He does not want proper sewerage to be built in that area. He is not doing anything.

A government member: He will make it better.

Mr R.F. JOHNSON: Oh, yes, he will make it better. A multimillion-dollar advertisement has been shown on television to highlight all the beautiful sea life in the waters at Ningaloo Reef. Ningaloo Reef is beautiful. It is probably the best reef in the world, and the Premier thought he would have a bit of that action as it would make him look good.

Mr J.B. D'Orazio: He just saved it.

Mr R.F. JOHNSON: He has done nothing! He flew up with the cameramen and other media at special expense. Why did he not save it from Perth? Why waste public money by flying all the way to Ningaloo to make a 20-minute statement? It was yet another abuse of taxpayers' funds to make the Premier look good. This goes completely against the Premier's promise during the last election campaign that he would have the most accountable and open Government that Western Australia, and probably the world, has ever seen. We have seen what happens with his promises. He said no increases would occur in taxes and charges, yet his first action was to introduce a premium property tax. Nobody believes the Premier any more. He could have a team of 100 spin doctors - he has about 48 now - but it would make no difference. Ultimately, all he will do is waste taxpayers' money. I object to that very strongly. Some of those spin doctor people will be used in what we call the "dirty tricks department". We know how the Premier works. I saw it personally when members opposite were in opposition and the current Premier's chief spin doctor was trying to get dirt on me. I have lived here for only 15 and a half years; it is not as though I have been in WA from birth. They contacted people where I used to live and made up stories about things I am supposed to have said that would have been totally contrary to my portfolio area. They tried to find out from council minutes whether Rob Johnson had said this or that. The chief spin doctor was beating up this issue for about three weeks pacing up and down the corridor upstairs with the media. Two of them took the trouble to phone my old council.

Mr M. McGowan: What did you say?

Mr R.F. JOHNSON: I said nothing, my friend. It did not stop the member's dirt department. The ABC rang. I knew it had phoned. Within half an hour of the ABC's calling, the leader of the Conservative Party on that council telephoned me. I am a godfather to his son. I knew about it before it got around in Australia that this little dirt machine was working.

Mr M. McGowan: You're the godfather then!

Mr R.F. JOHNSON: Absolutely. I am the godfather to some wonderful children. The parliamentary secretary is happy to laugh and smirk and brush off the allegation. It gets close to corruption when public money is allowed to be spent in a way that is unlawful. Let me assure members that it gets close to corruption.

I am running out of time. I wanted to raise a lot of other matters in this debate. I wanted to touch on the Hillarys Boat Harbour parking fees. If the minister will not rule it out, one must assume that she will introduce paid parking. She said there is no beach car park, but I correct the minister: the car park for the beach is all around the beach at Hillarys Boat Harbour. The only way to access the beach is through the car park, which runs to the north, south and east. There is no car park to the west - that is the beach and ocean. The minister said that there will be a charge in one little area. That is a nonsense. If she wanted to continue the limited four-hour car parking, people could live with that. The day the Government charges people to go to the beach is the day it deserves to lose government. The Government should have the ideology the Premier had in opposition, but no longer has.

MR M. MCGOWAN (Rockingham - Parliamentary Secretary) [3.35 pm]: I rise to make a few remarks on this very important Bill. I address my remarks to the third tier of government - local government. I will refer to tax increases, or rate increases, by local government, and I will make a few suggestions about how to make local government more accountable to the people of Western Australia.

It is a fact that Governments are regularly criticised for revenue and taxing measures, and the various mechanisms used to raise funds to meet public expenditure demands and debt-servicing requirements. As a State Government, we are regularly criticised for the last budget and its tax increases; I accept that criticism. No-one likes tax increases. I do not like tax increases. The Premier does not like tax increases. It was necessary at the time of the last budget to put in place some revenue increases to meet the increased demands, especially in the health system, of the State. As the Treasurer has often said, the financial position and revenue-raising measures of the States are very restricted; their options are the three ugly sisters of taxation - payroll tax, land tax and stamp duty. The public is very attuned to increases in these ugly taxes at budget time.

On the other hand, local government has a ready-made measure for raising its revenue, which is its rates base. It is a straightforward and simple tax. It is easy to calculate the necessary increases. Local government works out its spending commitments over the coming year, and calculates its rate base by using valuations against the landholdings within the council boundaries. It is straightforward. Councils also receive some assistance from the State and Commonwealth to fund their activities. The State also receives some commonwealth grants. It is our view as a Government - a view shared by the previous State Government - that the States are deliberately kept poor by the Commonwealth; therefore, the Commonwealth can put in place tax cuts, as it did at the last federal budget, and cut grants to the State. It is known that the States have a narrow revenue base, and the Commonwealth puts all the political pain for raising funds on State Governments. At the same time, the

Commonwealth looks like the good guy because it makes a light cut in income tax. In effect, the State Government is paying for the income tax cuts of the Commonwealth Government.

To put it in perspective, over the past 10 years, the Commonwealth has increased grants to the States by only five per cent in real per capita terms, while its expenditure has grown by 22 per cent in real terms. Grants to Western Australia have declined by eight per cent in real per capita terms over the past 10 years. Over the past 10 years, grants as a proportion of commonwealth tax collections have declined from 29 per cent to 21 per cent. Over time, the Commonwealth Grants Commission has cut Western Australia's share of general-purpose grants. The State now receives \$374 million per annum less compared with its funding share 10 years ago, when Paul Keating was the Prime Minister of Australia. If that funding level had been maintained, this State would be \$374 million better off. It would have those funds to put into health, education, law and order, environmental protection and the other areas the State administers. It would solve so many of the problems State Governments face, particularly those in Western Australia. At the same time, the Commonwealth is cutting specific-purpose payments. There has been an \$8.5 million per annum cut in the commonwealth-state housing agreement, and we recently experienced an \$80 million cut over five years through the new Australian health care agreement. That picture suggests that the State is suffering enormously because of the reductions the Commonwealth Government has made to fund some of its tax-cut initiatives. It passes the buck to the States. It knows that we are in a weaker position vis-a-vis the Commonwealth. We have no capacity to protest in any significant way. When we do, the Commonwealth accuses us of pulling stunts. We have no capacity to make the Commonwealth return the grants to the levels they were at 10 years ago, when Western Australia was \$374 million per annum better off. We do not have the capacity to control that.

Therefore, the State must raise revenue. As I said our revenue is raised by those three ugly taxes: payroll tax, land tax and stamp duty. That is because we suffer reductions in commonwealth grants. The total operating revenue of the 2003-04 budget, which the Treasurer brought down earlier this year, is estimated to grow by 2.1 per cent. That is the value of the increase in funds the State Government will receive over the next financial year. The population of the State of Western Australia is growing at about 2.1 per cent. We have limited capacity to raise other funds and are confronted with a 2003-04 projected inflation rate of 2.5 per cent. Population growth will be in excess of two per cent per annum, the consumer price index in the Perth area will be 2.5 per cent and our revenue will increase by 2.1 per cent. As a State, we are doing more with less. In our most recent state budget, we put approximately an extra \$240 million into the State's health system. Over its term - three budgets - this Government has increased the State's police budget by an extra 25 per cent. We have done what successful Labor Governments around the world have done. It is what the Hawke Government did in the 1980s and what the Blair Government has done in Britain. We have reprioritised our spending to make sure that it is directed to areas people care about. We are making sure that we meet demands. We are doing more with less. We recognise that massive revenue-raising measures are unpalatable to the public. Quite often they affect those who can least afford them. We are reprioritising our spending and directing it to those areas that most assist those in need and those on moderate incomes - the traditional Labor constituency. That is the priority of this State Government, as it was the priority of the British Blair Government and the Hawke Government of the 1980s.

This State has a 2.1 per cent revenue growth, which is 0.4 per cent less than the CPI rate. That revenue growth is further diminished when the population growth in the State of Western Australia is taken into account. However, when the budget was handed down, we copped criticism from the Opposition and the public for that increase in revenue. The Opposition in particular wants to have its cake and eat it too. It says we should spend more on hospitals and put more money into schools and the police budget. It says we should increase our wages offer to the police officers from nine per cent to at least 10 or 13 per cent. However, when we raised revenue by a rate less than that of inflation, the Opposition said we should not raise revenue. We have copped that since the last budget was handed down.

I compare that with the situation of local government and discuss the rate increases that local governments around Western Australia are putting in place. Members and the general public will find this very interesting. We all receive our annual rates bill. Some people get more than one. Every member of this House sees in his or her bill what is happening to the rates councils impose on their citizens. Councils have by far a better funding base than does the State Government. They have a rates base, they get some commonwealth funding and they apply a range of fees and charges for services such as rubbish collection. Councils charge fees for the range of services they provide. They charge fees for health inspections, building applications, dog licensing and swimming pools. Those are straightforward fees for service. Generally, about half of councils' operations are funded by rates, which are raised through a simple bill sent to every landholder within the boundaries of that shire council on an annual basis. It is my view that rates in some council areas have increased too much. We need to start a community debate about the rate rises in some councils to make sure that councils apply the same fiscal discipline as the State Government applies. Councils should put in place measures to prioritise their

spending so that it is directed into the areas in which their citizens most want the money to be spent. Councils should reduce the taxation implication on ratepayers as much as possible. Local government should apply the discipline of the State Government. In saying this, I acknowledge that the State Government does a lot for local government. Local government would probably rebut my argument by saying that the State does not do anything for it. However, the State does a lot for local government. As the member for Warren-Blackwood is fond of saying, local government is a creature of the State Government. It is created and governed by a state Act of Parliament. This State Government has paid for a range of inquiries into local governments around Western Australia. We paid for the City of Cockburn inquiry. We put in place the inquiries into the Cities of Belmont and South Perth, as well as a range of others. We have also put in place assistance schemes for councils, including the regional investment tours. That is a very successful program that has helped a range of local governments outside the Perth metropolitan area. We have established the \$75 million regional investment fund to assist local governments with projects, particularly tourism and infrastructure programs, relating to their constituencies. We have increased by about \$2 million per annum the amount of funding available under the community sporting and recreational facilities fund. That fund, which is one of the best spending initiatives of this State Government, enables country councils to access 50 per cent of the cost of providing sporting facilities. We have set up an Internet site to enable people to work out where they can access grants at all levels of government. That is a very good initiative and a very under-recognised achievement of this Government. Any community group in the State can go to that site to see what grants they are eligible to apply for. That initiative is available to all local governments. We have made amendments to the public liability Acts to reduce the possibility of liability for local authorities, and we are proposing further amendments to protect local authorities in relation to roads. We have put in place mayor support schemes. We have introduced the fire and emergency services levy and thereby removed the need for local councils to make their 15 per cent contributions. We have provided \$2 million per annum for the community facilities grants program, which can be accessed by local governments for all the projects local governments put in place. Local governments across the State have also received a 4.2 per cent increase this year in their allocation from the Western Australian Local Government Grants Commission. That is double the projected consumer price index for Western Australia and will make an extra \$173 million available to local government.

[Leave granted for the member's time to be extended.]

Mr M. McGOWAN: The State Government is doing a lot for local government. I was once a local government councillor. I have a lot of respect for the work that they do. Local government councillors have to go to meetings in the evening, and sometimes also at lunch time or in the morning. They also have to go to weekend functions. They may also be called at all hours of the day and night by angry ratepayers. It is very noble and demanding for people to be elected to a local authority. However, there needs to be more accountability and more scrutiny and debate about local government rate increases across the State. It is very hard to track down the actual rate increases across the State because there is no central reporting of the rates and charges imposed by local governments throughout the year. Therefore, if people want to find out this information they have to either call or write to every local government, or scan their web sites, as I have done. Most councils do not have a web site, but I have scanned the web sites that are available. In 2002-03 the CPI in Perth was 2.78 per cent. In that same year, all of the 12 councils that published their rate increases on their web sites had rate increases that were above the CPI. The figures are: Bassendean 4.9 per cent; Canning three per cent; Claremont 3.7 per cent; Joondalup 3.5 per cent; Stirling 4.71 per cent; Port Hedland six per cent; Narrogin 5 per cent; Augusta-Margaret River 4.5 per cent; Irwin 5 per cent; Shark Bay three per cent; Subiaco 3.7 per cent; and Vincent 5.71 per cent.

Mr C.J. Barnett: What you need to do is compare the dollar figures.

Mr M. McGOWAN: These are the published figures by local government.

Mr C.J. Barnett: Yes, but to do a valid comparison you need to compare the dollar figures, which actually will strengthen your argument.

Mr M. McGOWAN: That is true. As I said earlier, and the Leader of the Opposition might agree, there should be central reporting of all of the dollar figures for fee increases, both in raw and percentage terms, so that they are open to scrutiny. Local governments should be required to report all of these figures to the Department of Local Government.

Mr J.L. Bradshaw: In the city of Perth, where a lot of units have been built, the rate base has increased dramatically yet the rates are still shooting up well beyond the rate of inflation.

Mr M. McGOWAN: I will get to that. In 2003-04, of the 22 councils whose rates are available for scrutiny on their web sites, 14 are above the inflation rate, five are equal to or slightly above the projected inflation rate, and four are below the projected inflation rate. The figures are: Armadale six per cent; Belmont 2.75 per cent; Bridgetown six per cent; Broome 4.3 per cent; Gosnells 1.5 per cent; Fremantle five per cent; Melville 2.8 per cent; Greenough 5.8 per cent; South Perth 2.9 per cent; Swan four per cent; Perth seven per cent; Kalgoorlie-

Boulder five per cent; Rockingham 5.9 per cent; Cambridge 4.9 per cent; Canning, to its credit, 1.3 per cent; Collie 2.77 per cent; Claremont 2.2 per cent; Mosman Park 3.5 per cent; Nedlands 2.75 per cent; Wanneroo four per cent; and Esperance 5.9 per cent. In 2003-04 the situation may have improved slightly in overall terms, because not every council that is available for scrutiny has had a rate increase that is substantially above the CPI. However, the vast majority have had rate increases substantially above the CPI rate. This impacts on every family in the community, because everyone has to live somewhere. It also impacts on every small business, because every business has to be located somewhere. These increases seem to go through unnoticed and unscrutinised. It is about time they were scrutinised. It is about time there was a central reporting requirement for all councils so that the media and the Parliament of this State can examine these figures and hold them up for greater scrutiny than is currently the case.

Secondly, Western Australia has 142 local authorities. Each of those local authorities has a chief executive officer and a range of senior staff. The way in which the salary packages for each of the chief executive officers is determined is essentially via negotiations between the mayor, and perhaps also the deputy mayor, and the chief executive officers; they may also get a bit of outside advice. I have reviewed the web site of every council in Western Australia, and in none of them could I find the pay rates of each of the chief executive officers of the local authorities throughout the State. Anecdotally I have been told that a large number of chief executive officers of local authorities receive pay in excess of ministers of the Government, ministers of the Commonwealth and the Premier of Western Australia. It might surprise members to know that people often criticise the pay rates of members of Parliament. Our rates of pay are completely open and accountable. The Salaries and Allowances Tribunal sets our pay and it is open for everyone to see what we earn. Every single one of my constituents knows, or can find out, how much I am paid. Every single person can find out how much the Premier is paid; what is more, they can find out how much the heads of each department in Western Australia are paid because their pay rates also are set by the Salaries and Allowances Tribunal. Under that mechanism people can find out the extra allowances that are paid to each head of department. The Commissioner of Police, the head of Treasury, the head of the Department of the Premier and Cabinet, the Auditor General and so forth generally receive fairly large remuneration; most receive far in excess of the Premier.

The mechanism is accountable and open. The mechanism used by local governments whereby the mayor and the CEO work out the pay rates for a particular person is not accountable enough. The people making those decisions are not skilled or experienced in these matters. The Salaries and Allowances Tribunal should set the wages and conditions for people employed by local governments, in the same way that it does for heads of departments. Local governments have bands of pay rates for CEOs, depending on the size of the council, the number of ratepayers and the budgets they have to manage. However, it is more appropriate that the Salaries and Allowances Tribunal establish a similar mechanism to compare like with like. Obviously a CEO employed by a large council with a large number of ratepayers and an enormous budget should be paid more than one employed by a council with 200 ratepayers; that is probably happening now. However, the process should be absolutely accountable, open and subject to review.

In conclusion, I am concerned about the rate increases that some councils have put in place. The figures I have with me indicate the percentage increases in the total amount of rates levied by individual councils. The Town of Cambridge increased its rates levy in 2001-02 by 36 per cent. The Town of Cottesloe - this might interest the Leader of the Opposition - increased its total rate collection in that same period by 34 per cent. That is not as good a measure as the earlier measure I outlined to the House.

Mr C.J. Barnett: The percentage increases are very deceptive compared with rapidly rising property values.

Mr M. McGOWAN: I was about to say that. However, they indicate that some councils are enormously increasing their revenue, yet at the same time the constituents in those communities are not seeing an enormous increase in services and infrastructure, which should go along with such increases. The City of Melville in the same period of two years I outlined increased its rate collection by 25 per cent.

There must be more accountability in these matters and I hope that I have started a debate that will encourage the reporting and accountability of staff wages in local governments in the same way that the heads of departments and politicians are accountable.

Debate adjourned, on motion by Mr. J.C. Kobelke (Leader of the House).