

CITY OF COCKBURN, COST OF INQUIRY

77. Mr McGOWAN to the Minister for Local Government:

I refer to the minister's decision to charge the ratepayers of Cockburn \$1.72m for the cost of the recent inquiry.

- (1) How can the minister charge one group of ratepayers when he did not demand the ratepayers pay for the Wanneroo inquiry and the three other associated inquiries which resulted in the sacking of that council?
- (2) As there are 110 authorised local government inquiries every year in which the minister has not demanded those ratepayers foot the bill, why is the minister picking on Cockburn?

Mr OMODEI replied:

(1)-(2) Section 8.15A of the Local Government Act states that local government may have to meet inquiry costs if -

- (a) an authorized person makes findings adverse to a local government, or to its council or any member, or to any of its employees; or
 - (b) an inquiry by an authorized person was instituted at the request of a local government,
- the Minister may order the local government to pay all or part of the costs of the inquiry and the local government is to comply with that order.

Section 8.27 says that local government may have to meet the inquiry costs if -

- (a) an Inquiry Panel makes findings adverse to a local government, or to its council or any member, or to any of its employees; or
 - (b) an inquiry by an Inquiry Panel was instituted at the request of a local government,
- the Minister may order the local government to pay all or part of the costs of the inquiry and the local government is to comply with that order.

I recall that the Opposition supported the promulgation of the Local Government Act, and I cannot recall debate on that point.

Several members interjected.

Mr OMODEI: I ask that members opposite let me answer the question. It is an important issue and I have some sympathy for the ratepayers of the City of Cockburn. The member for Rockingham asked about other inquiries. There have been only two ministerial inquiries in Western Australia while I have been the minister since this Government was elected to power. In the Lawrence inquiry into the City of Wanneroo I suspended the council, and the inquiry took place. The recommendation of the inquirer was to reinstate the council. Having reinstated the council and based on the level and the seriousness of the findings I dissolved the council immediately after that and appointed commissioners to split the council. The history of that situation relates to the seriousness of the findings. The fact that I reinstated that council meant that the costs were met by the State. In the case of the City of Cockburn, the inquiry took place after there had been two executive director inquiries into the City of Cockburn and an Ombudsman inquiry. An executive director inquiry is an authorised person inquiry and the Government could have asked for the costs in relation to that situation. The ratepayers could have met those costs. I chose not to do so in that case. The ministerial inquiry into the City of Cockburn occurred only after I had been approached by the mayor, deputy mayor the chief executive officer and a senior planning staff member who were having problems with the City of Cockburn. We had been monitoring the progress of the City of Cockburn for a time. The council was about to make a decision to spend \$750 000 of ratepayers' moneys on a development in which the mayor was intricately involved. The report shows all of that. I suggest the member for Rockingham read the report. The outcome of that inquiry was 77 findings of illegal or improper conduct, 66 by councillors and 11 by staff.

Mr Ripper: Why should they have to pay. Are the ratepayers guilty?

Mr OMODEI: Some of the ratepayers did not even vote for that council.

Mr Ripper: But they have to pay.

Mr OMODEI: Should the people of Ningaloo, Derby, Donnybrook or Mukinbudin pay for the cost of an inquiry that came about as a result of the misadventures or misdemeanours of a city council? I am well informed that the City of Cockburn has more than enough resources to meet the cost of this inquiry. The member for Rockingham mentioned on radio that there were 110 other inquiries in which the cost had been met by the State. The member asked that question during the estimates committee debate. The response was that of the 110 investigations into the financial interests of individuals, 95 per cent were unsubstantiated and the other 5 per cent were not serious

enough to pursue. The investigations were into the actions of individuals, and most were not substantiated. I put it to members that the taxpayers of Western Australia should pick up those costs. Indeed, right now, the Town of Victoria Park, which is in the electorate of the Leader of the Opposition, must fund more than \$5m to pay for an over-rating situation as a result of a valuation of the Burswood International Resort Casino. The Town of Victoria Park has not increased the rates, but is seeking the funds from its reserves.

I have considered this matter very carefully, and it is not a case in which the taxpayers from around the State should pick up the bill. I have asked the City of Cockburn to reimburse the costs of the Department of Local Government in instalments over a three-year period. If it cannot find those funds, someone from the department will assist the City of Cockburn to locate its reserves.

The Opposition must make up its mind. Obviously one payment will be due this year. If the Labor Party is fortunate enough to be in government this time next year - heaven forbid - it will need to publicly state whether it will freeze the next two payments. If it makes that decision, that will give carte blanche to every local government in Western Australia to do whatever it likes, and the taxpayers of Western Australia will pick up the cost.

Dr Gallop: The decision is already made; I will not punish the people of Cockburn.

Mr OMODEI: The Leader of the Opposition is weak, just because he has met someone from the City of Cockburn today.

Several members interjected.

The SPEAKER: Order! The debate has become very emotional and too many people want to interject and take part in the action. The minister has now been speaking for seven minutes, and it is time for him to wind up his answer.

Mr OMODEI: The Leader of the Opposition will punish the people in his electorate of Victoria Park by making them pay for the misdemeanours of the councillors of the City of Cockburn. That responsibility is obviously with the City of Cockburn, and that is the decision I have made.