

Annual Report

2005/2006

Local Government Advisory Board
Dumas House
1st floor
2 Havelock Street
WEST PERTH WA 6005

GPO Box R1250
PERTH WA 6844

Tel: (08) 9217 1497
Fax: (08) 9217 1506
Email: advisory.board@dlgrd.wa.gov.au

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CHAIRMAN'S REPORT

The Board continued its focus on reviews of ward boundaries and representation throughout the last year, in preparation for the 2007 local government elections. In all, the Board assessed eighteen (18) reports of reviews of ward boundaries and representation.

In addition, during this reporting period, the Board commenced formal inquiries into five (5) separate proposals relating to local government district boundary changes. One inquiry relates to the Tjuntjuntjara Indigenous Community, the Shire of Menzies and the Shire of Laverton. Another is focused on the proposed amalgamation between the City of Geraldton and the Shire of Greenough. The remaining proposals, which are being dealt with under the one inquiry, are concerned with district boundary change proposals affecting the Town of Vincent and the Cities of Bayswater, Perth and Stirling respectively.

In 2005-2006 the Board completed two reports requested by the Minister for Local Government and Regional Development. The Board took into account some relevant rulings that were made by the State Administrative Tribunal in August 2005 before completing the first of these, the *Inquiry into the Rating of Land Used for Charitable Purposes*. The Board submitted its report on this matter to the Minister in November 2005. At the time of preparation of this Annual Report, the Minister, having considered the Board's recommendations, had released to the local government sector for comment by the end of October 2006 his proposed strategy to address the issues that relate to this inquiry.

The second such request from the Minister was for the Board to conduct a major study into local government structural and electoral reform in Western Australia, to be given the title, *Ensuring the Future Sustainability of Communities*. During the course of this inquiry, which was completed over the period October 2005 – March 2006, the Board conducted nine (9) public hearings and one satellite broadcast at metropolitan, regional and rural locations throughout the State, and received over 230 written submissions. As part of this exercise, the Board also completed a survey on resource sharing and regional cooperation by local governments in Western Australia. 89 local governments provided data for the survey. The *Ensuring the Future Sustainability of Communities* report, which included 37 recommendations on structural reform and twelve (12) recommendations relating to electoral reform, was released by the Minister for public comment in April 2006. Further public submissions continue to be received at the time of preparation of this Annual Report.

The trend to simplifying wards and representation has continued again this last year. Of the (16) local governments that proposed changes to ward boundaries and representation in 2005-2006, three (3) amended ward boundaries but did not reduce the total number of councillors; nine (9) abolished all wards, including one (1) that also reduced the total number of councillors; and three (3) reduced both the number of wards and the number of councillors.

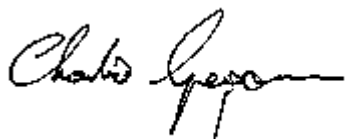
Overall it has been pleasing to see local governments devoting significant time and resources to developing appropriate representation structures. There are now 53 local governments across the State that have a no-ward structure. This development, plus the reduction in the number of Councillors across the State as a whole, will lead to significant savings in the sector.

A number of visits to country areas were undertaken in relation to ward and representation reviews, district boundary change proposals and the structural and electoral reform inquiry. In all, Board representatives visited sixteen (16) rural centres, in addition to making presentations or conducting public hearings at a number of local governments in the metropolitan area.

As in previous years, I have valued the level of commitment and support that members have made to the work of the Board and I thank them for all their efforts. In November 2005, the Board welcomed to the ranks of membership Ron Yuryevich, Mayor of the City of Kalgoorlie-Boulder, who was appointed to fill a casual vacancy that arose earlier in that year.

I am also aware of the work undertaken by the officers of the Department of Local Government and Regional Development, especially that of Quentin Harrington and Duncan Watson, to ensure the smooth functioning of the Board. I acknowledge the valuable contribution made to the structural and electoral reform inquiry by Departmental staff, in particular Chris Berry, Andrew Main and Adrienne Inch and thank Lou Naumovski and Vicky Nazer for their work throughout the year.

In accordance with Clause 14 of the Schedule 2.5 of the *Local Government Act 1995*, I submit to the Minister for Local Government and Regional Development the 2005/2006 Annual Report of the Local Government Advisory Board.



Charlie Gregorini OAM JP
CHAIRMAN

10 August 2006

VISION

That Western Australia should have a system of local government that is robust and effective in meeting the needs of Western Australian communities.

This is based on a structure of community-focused local government units that have logical boundaries integrating land use, the environment and transport systems. A sufficient resource base is required to efficiently, effectively, flexibly, and responsively, exercise functions and powers and be capable of embracing micro-economic reform.

HOW THE BOARD OPERATES

The function of the Board is to consider proposals for changes to district boundaries, wards and representation of local governments. These proposals can come from the Minister, local governments and members of the public. After the Board has considered a proposal, a recommendation is made to the Minister for Local Government and Regional Development who makes a decision about any proposed changes.

Under the *Local Government Act 1995* the Board takes the following factors into consideration when considering district boundary changes:

- (a) community of interest;
 - (b) physical and topographic features;
 - (c) demographic trends;
 - (d) economic factors;
 - (e) the history of the area;
 - (f) transport and communication;
 - (g) matters affecting the viability of local governments; and
 - (h) the effective delivery of local government services.
- (Schedule 2.1)

When assessing changes to local government ward boundaries and representation as proposed by local governments, the Board is required to consider the following factors:

- (a) community of interest;
 - (b) physical and topographic features;
 - (c) demographic trends;
 - (d) economic factors; and
 - (e) the ratio of councillors to electors in the various wards.
- (Schedule 2.2)

Enabling Legislation

The Local Government Advisory Board (the Board) was created under Section 2.44 of the *Local Government Act 1995* that came into operation on 1 July 1996. The Board operates under the provisions of the Act in Sections 2.1, 2.2, 2.3, 2.44, 2.45, and Schedules 2.1, 2.2 and 2.5.

GUIDING PRINCIPLES

The Board's *Guiding Principles* form the basis for considering changes to local government boundaries and take into account the factors set out in the Act.

Community of Interest

Community of interest includes parts of a district that share common interests/values/characteristics/issues giving rise to a separate sense of identity or community.

Factors contributing to a sense of identity or community include shared interests and shared use of community facilities. For example, sporting, leisure and library facilities create a focus for the community. The use of shopping areas and the location of schools also act to draw people together with similar interests. This can also give indications about the direction that people travel to access services and facilities.

The external boundaries of a local government need to reflect distinct communities of interest wherever possible. Neighbourhoods, suburbs and towns are important units in the physical, historical and social infrastructure and often generate a feeling of community and belonging. The Board believes that wherever possible, it is inappropriate to divide these units between local governments.

Physical and Topographic Features

Physical and topographic features may be natural or man-made and will vary from area to area. They may include:

- water features (such as rivers);
- catchment boundaries;
- coastal plain and foothills;
- parks and reserves; and
- man made features (such as railway lines or freeways).

These features can form identifiable boundaries and can also act as barriers to movement between adjoining areas. In many cases physical and topographical features are appropriate district and ward boundaries.

The Board supports local government structures and boundaries that facilitate the integration of human activity and land use.

Demographic Trends

Local Government should consider the following characteristics when determining the demographics within its locality:

- population size;
- population trends;
- distribution by age;
- gender; and
- occupation.

Current and projected population factors will be relevant as well as similarities and differences between areas within the local government.

Economic Factors

Economic factors can include any factor that reflects the character of economic activities and resources in the area including:

- industries within the local area;
- distribution of community assets; and
- infrastructure.

History of the Area

The history of an area can be a relevant consideration, although the Board believes that in the majority of cases this will not be a primary justification for changing or retaining local governments and local government boundaries.

The nature of historical ties between communities is important to understand, irrespective of where the local government boundaries lie. A community within a local government may have a strong historical identity; alternatively there may be strong historical links between two or more communities in adjacent local governments. It is important to note that historical identity is not necessarily lessened if an area does not have its own local government.

Transport and Communication

The transport and communications linkages between towns and other areas may be a significant barrier to movement and therefore an appropriate boundary between local governments. Consideration of the following factors is important in any assessment of local government boundaries:

- port access;
- neighbouring towns;
- railways; and
- major roads.

Matters Affecting the Viability of Local Governments

Local government should have a sufficient resource base:

- to be able to efficiently and effectively exercise its proper functions and delegated powers and operate facilities and services;
- to be flexible and responsive in the exercise of its functions and powers and operation of its facilities and services;
- to employ appropriate professional expertise and skills; and
- to be capable of embracing micro-economic reform.

Each local government should have a diverse and sufficient rate base to ensure that general purpose grants do not represent the major revenue source.

Effective Delivery of Local Government Services

A broad range of factors can be relevant to the effective delivery of local government services and these are often directly relevant to those that also affect the viability of local governments. They include:

- the size and geographical spread of the population;
- management effectiveness and efficiency;
- the availability of staff expertise;
- appropriate infrastructure and equipment; and
- customer satisfaction and feedback.

BOARD MEMBERSHIP

The Board is comprised of five members representing local government councillors, officers and the State Government. The Minister for Local Government and Regional Development selects the Chair and an officer from the Department of Local Government and Regional Development. Two members are councillors, who are selected from a list supplied by the Western Australian Local Government Association (WALGA). The fifth member is a Chief Executive Officer from local government, selected from a list supplied by Local Government Managers Australia (LGMA). Five deputies are also selected on the same basis as the members.

Current membership is:

Chairman

Cr Charlie Gregorini OAM JP

Council Representatives

Cr Helen Dullard OAM
Mayor Patricia Creevey (Deputy)

Mayor Ron Yuryevich AM RFD
Cr Laurie Graham (Deputy)

Chief Executive Officer Representative

Mr Eric Lumsden PSM
Dr Shane Silcox (Deputy)

Department of Local Government and Regional Development Officer

Mr Quentin Harrington
(Deputy Chairman)
Mr Duncan Watson (Deputy)

The Chairman and Deputy Chairman have been appointed until 31 August 2008. The Board members were appointed until 31 August 2006.

ACTIVITIES FOR 2005/2006

As in previous years, the Board's work in 2005-2006 fell into two main areas: proposals for district boundary changes and reviews of wards and representation.

In addition, during this reporting period, in response to requests from the Minister for Local Government and Regional Development, (the Minister) the Board completed two (2) reports. One was the *Inquiry into the Rating of Land Used for Charitable Purposes*. The other was a major study into local government structural and electoral reform in Western Australia, which was given the title, *Ensuring the Future Sustainability of Communities*.

Inquiry into the Operation of Section 6.26 (2) (g) of the Local Government Act 1995 relating to the Rating of Land Used for Charitable Purposes.

Section 6.26(2)(g) of the Act provides that 'land used exclusively for charitable purposes' is not rateable by a local government. In recent years, charitable organisations, individuals and local governments have raised problems with the operation of this section. In a number of cases, disagreement over the rateability of certain properties has resulted in substantial legal costs being incurred by charitable organisations and local governments to support their respective positions.

In light of this, in December 2004 the Minister requested that the Board examine and report upon the operation of this section of the Act. The Board was asked to pay regard to the impact of this section on the rating of retirement villages, land owned by community housing providers and any other organisations that may provide services of a charitable nature.

Specifically, the Board was asked to research and report on:

- The nature of land uses applying for exemption;
- The criteria used by local governments to determine whether land is being used for a charitable purpose;
- What organisations/land uses are being exempted by local governments from the payment of rates; and
- The operation and application of provisions relating to the rating of land used for charitable purposes in other Australian jurisdictions.

To gain a better understanding of the issues surrounding this matter and to identify possible solutions, the Board sought information and input from key stakeholders and other sources. The inquiry process included a survey of all local governments; correspondence with relevant Governments, departments and agencies; meetings with WALGA and LGMA; peak bodies representing retirement villages and community housing associations; residents and operators of retirement villages; and individual local governments.

In addition, the Chairman and Mr Andrew Main, Principal Policy Officer of the Department of Local Government and Regional Development, visited New South Wales, Victoria and South Australia during January 2005 to examine how those constituencies deal with the rating of land used for charitable purposes. The visit provided possible models for use in Western Australia.

The Board took into account some relevant rulings that were made by the State Administrative Tribunal in August 2005 before completing and submitting its report of this Inquiry to the Minister in November 2005.

At the time of preparation of this Annual Report, the Minister, having considered the Board's recommendations, had released to the local government sector for comment by the end of October 2006 his proposed strategy to address the issues that relate to this inquiry.

Inquiry into Local Government Structural and Electoral Reform in Western Australia: Ensuring the Future Sustainability of Communities

In October 2005 the Minister asked the Board to conduct the above inquiry and provided explicit terms of reference in relation to the economic, environmental and social sustainability of WA communities. In completing this task, the Board also considered community sustainability, population sustainability, financial sustainability of local government and the organisational or corporate sustainability of local government.

During the course of this inquiry, which was completed over the period October 2005 – March 2006, the Board distributed an issues paper to stimulate discussion; conducted nine (9) public hearings and one satellite broadcast at metropolitan, regional and rural locations throughout the State, and received over 230 written submissions. As part of this exercise, the Board also completed a survey on resource sharing and regional cooperation by local governments in Western Australia. 89 local governments provided data for the survey.

Based on the information collected by the Board, the general content of submissions received, the changes that have taken place in other jurisdictions, and the fundamental need to ensure the future sustainability of communities in this State, the Board concluded that there is an urgent need for structural reform of local government in Western Australia. In relation to local government electoral arrangements, however, the Board's view, after careful analysis, was that relatively few changes are required to improve the electoral system.

The Board's report made specific recommendations for the amalgamation of local governments in metropolitan Perth and regional areas. Other recommendations addressed impediments to structural reform, organisational arrangements of local government, the management and reporting of local governments' financial position, membership of local governments to regional groups and the conduct of regular reviews of local government structure and boundaries.

The *Ensuring the Future Sustainability of Communities* report, which included 37 recommendations on structural reform and twelve (12) recommendations relating to electoral reform, was released by the Minister for public comment in May 2006. The Minister also indicated that there would be no forced amalgamations. Further public submissions continue to be received at the time of preparation of this Annual Report.

Proposals for District Boundary Changes

Upon receiving a proposal for a district boundary change, the Board's first decision is to determine the level of inquiry to be undertaken. The Board may decide that the matter is minor and not one about which public submissions need to be invited. In this case an informal inquiry is conducted.

A formal inquiry is undertaken for all other boundary change proposals. This involves giving local governments and the affected communities formal notice of the inquiry, and inviting public submissions. The Board also visits the affected area and meets with members of the affected local governments, the community and key stakeholders.

Issues relating to local government responsibility for the **Tjuntjuntjara Indigenous Community**, affecting the **Shire of Menzies** and the **Shire of Laverton**, had been under consideration by the Board since the last reporting period. In 2005-2006, this matter progressed to a formal Board inquiry, with a focus on which of the two local governments could provide the better service to the Tjuntjuntjara Community. Input to this inquiry has included visits by Board representatives to the Community and to both Shires, public hearings and a public submission period. The Board will complete further financial analysis of aspects of this matter before making recommendations to the Minister.

The question of structural reform has been current in the Mid-West Region for some years, and in December 2005 and February 2006 the Board received proposals from the **Shire of Greenough** and the **City of Geraldton** respectively for the amalgamation of both local governments. Prior to submitting their proposals, the Shire and the City had cooperated to develop a common position with respect to the proposed amalgamation and had reached agreement on a number of key issues.

The Board's formal inquiry into the possible amalgamation of the Shire and the City is now in progress. Input to the ongoing assessment of this matter includes five (5) public hearings that the Board held in the region in June 2006; meetings by Board representatives with both Councils and other stakeholders in Geraldton and Greenough; and public submissions. The Board's report of this inquiry will be submitted to the Minister for consideration later this year.

The remaining major district boundary change proposals that are currently under consideration by the Board affect the **Town of Vincent** and the **Cities of Bayswater, Perth and Stirling** respectively. In late 2005/early 2006 the Town of Vincent submitted two separate proposals that certain areas located in the Cities of Stirling, Perth and Bayswater should be within its district boundaries, whilst the City of Perth proposed that part of the Town of Vincent be transferred to its jurisdiction. The Board resolved to assess all of these related proposals simultaneously. Once again, a number of public and private hearings have been held; the Board has met with the Councils of all four affected local governments and over 1,000 public submissions have been received. At the time of preparation of this Annual Report, the Board's assessment of these proposals is continuing.

Proposals for minor district boundary changes were received in 2005-2006 from the **City of Nedlands** and the **Town of Cambridge** respectively. The Board resolved to seek further information regarding the proposal from the City of Nedlands before assessing it, and did not proceed with the Town of Cambridge's proposal in light of the *Perry Lakes Redevelopment Act 2005*.

Reviews of Wards and Representation

The Board received and assessed eighteen (18) reports of reviews of ward boundaries and representation in 2005/2006. Sixteen (16) country and two (2) metropolitan local governments submitted reports to the Board.

The Board noted both a continued improvement in the standard of these reviews, and in general a pleasing trend toward simplifying wards and representation.

Country

Of the ward and representation reviews from country local governments that were considered by the Board in 2005-2006, two (2) proposed to retain their current ward structure, ward boundaries and level of representation. These were the **Shires of Shark Bay** and **Northam**. The Board noted these reviews and in the case of Shark Bay requested that the Shire complete a further review.

The **Shires of Wickepin, Pingelly, Corrigin, Mount Marshall, West Arthur, Woodanilling, Moora, Boddington** and **Carnamah** all resolved to abolish their wards as a result of the ward review process.

Two Shires, **Northampton** and **Chapman Valley**, reduced both the number of wards and number of Councillors. **Northampton** reduced its number of wards from five (5) to two (2) and number of Councillors from eleven (11) to ten (10), whilst **Chapman Valley** reduced its wards from three (3) to two (2) and its Councillors from twelve (12) to ten (10).

Two (2) local governments outside the metropolitan area resolved to amend their ward boundaries to create more balanced representation across their districts. These were the Shires of **Plantagenet** and **Tambellup**.

The **Shire of Murray** submitted a proposal to rename one of its wards.

The Board supported all these changes and recommended them to the Minister.

The chart below summarises wards and representation in regional areas of the State as at the end of June, 2006.

Wards and Representation in Regional Areas of Western Australia

REGION	Number of Councils	Number with no wards	% with no wards	Number complying with 'one vote, one value'	% complying with 'one vote, one value'
<i>Gascoyne</i>	4	2	50%	2	50%
<i>Goldfields-Esperance</i>	9	3	33%	5	56%
<i>Great Southern</i>	12	5	42%	7	58%
<i>Kimberley</i>	4	2	50%	2	50%
<i>Mid-West</i>	19	9	47%	14	74%
<i>Peel</i>	5	1	20%	1	20%
<i>Pilbara</i>	4	1	25%	1	25%
<i>South West</i>	12	6	50%	6	50%
<i>Wheatbelt</i>	44	23	52%	31	70%
TOTAL	113	52	46%	69	61%

Metropolitan

Following a review of its wards and representation, the **City of Joondalup** proposed to reduce its number of wards from seven (7) to six (6) and reduce its number of councillors from fourteen (14) to twelve (12). The **Town of East Fremantle**, upon completion of its ward and representation review, resolved to amend its ward boundaries to create more balance representation across its district.

The Board supported these changes and recommended them to the Minister.

THE FUTURE

The Board is expecting to receive more reviews of wards and representation as councils finalise new representational arrangements for the 2007 local government elections.

The Board is aware that local governments and members of the community across the State are considering proposals for changes to local government district boundaries, including possible amalgamations. The Board welcomes opportunities to discuss with local governments and members of the community the processes for change and in this regard, the Department of Local Government's *Connecting Local Governments* initiative is timely.

The Board encourages local governments to take steps to assess their own situations to determine the best ways to deliver local government functions and services to their communities. The Board looks forward to on-going discussions regarding structural reform in Western Australia.

ADDITIONAL INFORMATION

Staff

The following staff have serviced the work of the Board during the 2005/2006 year:

Executive Officer:	Duncan Watson
Other Officers:	Chris Berry, <i>Coordinator Structural and Electoral Reform Review</i> Andrew Main <i>Principal Policy Officer</i> Lou Naumovski <i>Senior Advisory Officer</i> Adrienne Inch <i>Policy & Research Officer</i> Vicky Nazer <i>A/Policy & Research Officer</i>

Publications

August 2003	Information Package: Review of Wards and Representation
February 2004	Assessment of the East Pilbara/Port Hedland Proposal: An assessment by the Local Government Advisory Board in response to a proposal to transfer the Mugarinya Community and its associated lands from the Shire of East Pilbara to the Town of Port Hedland.
June 2004	Assessment of the Victoria Plains/Chittering Proposal: An assessment by the Local Government Advisory Board of the proposal to transfer land in the locality of Mogumber from the Shire of Victoria Plains to the Shire of Chittering
October 2004	Assessment of the Establishment of a Separate Local Government for the Tjurabalan-Kutjunka Region
March 2006	Local Government Structural and Electoral Reform in Western Australia – <i>Ensuring the Future Sustainability of Communities</i>

Annual Reports for the years 2000/2001, 2001/2002, 2002/2003, 2003/2004 and 2004/2005 are also available.

Note: Information required to be reported under Section 175ZE of the *Electoral Act 1907* is included in the Annual Report of the Department of Local Government and Regional Development.