

LOCAL GOVERNMENT ADVISORY BOARD

ANNUAL REPORT 2007/2008

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CHAIR'S REPORT

The Board completed two major boundary Inquiries and accepted a reference from the Minister for Local Government in December 2007 to conduct an Inquiry into Local Government Service Delivery to Indigenous Communities.

The Board recommended the amalgamation of the Shire of Tambellup and the Shire of Broomehill to form the Shire of Broomehill-Tambellup from 1 July 2008. The Board is confident that the efforts of both local governments in pursuing structural reform will encourage other local governments to consider structural reform initiatives.

The Board also completed an inquiry into two proposals from electors of the City of Nedlands to amend the district boundaries of the City of Nedlands and the City of Subiaco. The Board found there was insufficient justification for either proposal and subsequently made a recommendation to the Minister for Local Government that both proposals be rejected. The recommendation was accepted by the Minister.

In December 2007 the Board accepted a reference from the Minister for Local Government to undertake an Inquiry into Local Government Service Delivery to Indigenous Communities. It is anticipated that the Board will submit its report to the Minister for Local Government after the State Election.

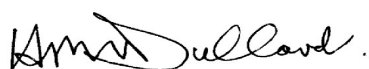
The Board also recommended 4 minor district boundary changes and 1 ward amendment to the Minister for Local Government. The Minister accepted all recommendations.

26 local governments were written to after the October 2007 Local Government elections, requesting that they conduct ward and representation reviews. It is expected that these will be finalised prior to the October 2009 elections.

The term of appointment of all current members and deputy members of the Board expire on 31 August 2008. Charlie Gregorini will resume as Chair of the Board from 1 September 2008, after serving as Chair of the WA Local Government Grants Commission for the past 12 months. I will be continuing as a member of the Board, as will Cr Ron Yuryevich. Ms Joanne Trezona will commence as the LGMA member. The deputy members will be Paddi Creevey, Moira Girando and James Trail. All of the appointments are for a three year period, expiring on 31 August 2011.

I would like to thank the Board members for their commitment and efforts in supporting the work of the Board. I would also like to acknowledge the efforts of the officers of the Department of Local Government and Regional Development who have provided the administrative and research support to the Board throughout the year. I thank them for their support to me in my position as Chair of the Board.

In accordance with Clause 14 of the Schedule 2.5 of the *Local Government Act 1995*, I submit to the Minister for Local Government the 2007/2008 Annual Report of the Local Government Advisory Board.



Helen Dullard OAM
CHAIR

31 August 2008

ROLE AND FUNCTION OF THE BOARD

The Local Government Advisory Board is a statutory body established under section 2.44 of the *Local Government Act 1995*. The role of the Board is to consider proposals for changes to district boundaries and wards and representation of local governments. These proposals can come from the Minister, local governments or electors. After the Board has considered a proposal, a recommendation is made to the Minister for Local Government who makes a decision about any proposed changes. The Board can also carry out any other inquiries that the Minister for Local Government may direct.

During 2007/2008 the Board met on 11 occasions.

Under Schedule 2.1 of 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.

Under Schedule 2.2 of the *Local Government Act 1995* the Board when assessing changes to local government ward boundaries and representation as proposed by local governments is required to consider the following factors:

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

THE BOARD'S 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 *Local Government Act 1995*.

Community of Interest

Community of Interest includes parts of a district that share common interests, values, characteristics and 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 indication 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 the 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:

- Efficiently and effectively exercise its proper functions and delegated powers and operate facilities and services;
- Be flexible and responsive in the exercise of its functions and powers and operation of its facilities and services;
- Employ appropriate professional expertise and skills; and
- 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.

MEMBERSHIP OF THE BOARD

The Board has a membership of five. The Chair is appointed by the Minister for Local Government, two members are nominated by the Western Australian Local Government Association (WALGA), one member is nominated by the Local Government Managers Australia (LGMA) and one member is an officer from the Department of Local Government and Regional Development. Four Deputy Members are also appointed to officiate in the absence of members. All appointments must be approved by Cabinet on the recommendation of the Minister for Local Government and then by Executive Council.

The membership to 31 August 2008 is as follows:

Chair	Cr Helen Dullard OAM
Council Representatives	Mayor Paddi Creevey Cr Michael Albert Mayor Ron Yuryevich AM RFD Cr Moira Girando JP (Deputy)
Chief Executive Officer Representative	Mr Eric Lumsden PSM Ms Joanne Trezona (Deputy)
Department of Local Government and Regional Development	Mr Quentin Harrington (Deputy Chair) Mr Tim Fowler (Deputy)

Cr Helen Dullard was appointed as Chair of the Board on 1 August 2007. Mayor Paddi Creevey was appointed as a member on 1 August 2007. Cr Michael Albert was appointed on 1 February 2008. All member's terms of appointment expire on 31 August 2008.

MAJOR ACTIVITIES 2007/2008

The Board's work in 2007/2008 consisted of the assessment of proposals for district boundary changes and reviews of wards and representation. The Minister for Local Government also provided a reference to the Board to undertake an Inquiry into Local Government Service Delivery to Indigenous Communities during the year under section 2.45 (1) (c) of the *Local Government Act 1995*.

District Boundary Changes

Upon receiving a proposal for a district boundary change, the Board must determine the level of inquiry to be undertaken. The Board may decide a proposal is minor and elect not to carry out a formal inquiry. The Board considered 4 minor district boundary changes in the reporting period and recommended to the Minister for Local Government that all proposals be accepted. The recommendations were accepted by the Minister. The boundary changes were as follows:

<i>Local Governments</i>	<i>Gazettal</i>
City of Cockburn	27 March 2008
City of Melville and City of Canning	26 March 2008
City of Gosnells and Shire of Kalamunda	3 January 2008
Shire of Northam and Shire of York	4 September 2007

Ward and Representation Reviews

Local governments are required to conduct ward and representation reviews every 8 years or when requested to do so in writing by the Board. The purpose of ward and representation reviews is to ensure equal representation within a local government. The ward boundary amendments processed during 2007/2008 were as follows:

<i>Local Governments</i>	<i>Gazettal</i>
Shire of Bridgetown – Greenbushes	29 January 2008

The Board wrote to 26 local governments, after the October 2007 local government elections, requesting that they conduct ward and representation reviews. It is expected that these will be finalised prior to the October 2009 elections.

Formal Inquiries

A formal inquiry is undertaken for major boundary changes and amalgamation proposals. This involves giving local governments and the affected community's formal notice of the inquiry, and inviting public submissions. As part of the formal inquiry process the Board holds public hearings and meets with the affected local governments and other key stakeholders.

City of Nedlands and City of Subiaco

The Board finalised its inquiry in December 2007 into two proposals received from affected electors of the City of Nedlands. The areas inquired into were as follows:

Proposal 1: Transfer that part of the City of Nedlands bounded by Charles Court Reserve, the Esplanade, Bruce Street, Princess Road and Broadway to the City of Subiaco.

The Board considered Proposal One in detail and considered the views of all stakeholders as part of its deliberations. In relation to the Board's guiding principles, the proponents focused primarily on the community of interest, physical and topographic features and the effective delivery of local government services factors. They argued that the City of Subiaco would deliver a superior level of services and facilities than the City of Nedlands.

During the public consultation process the Board became aware of community angst centred on the development of the Nedlands Park Hotel. While the Board recognised that there was a level of discontent in the community regarding how the City of Nedlands managed the development, it was not an issue which the Board considered as part of its deliberations.

The Board placed considerable significance on the outcome of the public consultation process and the financial analysis associated with the proposal. The Board acknowledged that the majority of residents in the affected area who provided submissions to the Inquiry supported the proposal. However, this represented only 19% of all responses, and of the total responses, 78% opposed the proposal. The Board also acknowledged that the City of Subiaco did not support the proposal from a financial perspective.

The Board's financial analysis indicated that neither local government would benefit from the proposed boundary change. It was also questionable whether residents in the area would derive any short to medium term benefits given the concerns expressed by the City of Subiaco.

The Board did not consider that the community of interest would be enhanced by changing the boundary and the proposed boundary would not conform to the physical and topographic criteria applied by the Board. The City of Subiaco indicated that it opposed the proposal as it did not consider that it would be able to enhance the delivery of services to the proposal area without a significant impost on its financial resources.

The Board considered all information provided during the course of the Inquiry and determined that there was insufficient justification to support the proposal and it would not be in the best interests of the local community, other stakeholders and the local governments to amend the district boundary between the City of Nedlands and the City of Subiaco as contained in the proposal.

Proposal 2: Transfer that part of the City of Nedlands bounded by Stirling Highway, Dalkeith Road, Hollywood Reserve, Smyth Road, Aberdare Road, Hospital Avenue, Monash Avenue and Hampden Road to the City of Subiaco.

The proponents justified the proposal by citing the history of the area, community of interest, transport and communications and the effective delivery of local government services as the predominant factors supporting the proposal. They argued that the City of Subiaco was better placed to comply with the Board's guiding principles on the above factors.

In considering the proposal, the Board placed significant importance on the public consultation process and the financial analysis associated with the proposal. The information contained in the public submissions was compelling with the majority of residents and non-residents opposed to the proposal. As with Proposal One, the City of Subiaco advised the Board that it did not support the proposal.

The Board's financial analysis also indicated that both local governments would be adversely affected if the proposed boundary change was approved. While the Board

agreed with the proponents that the current district boundary is illogical and represented an historical anomaly, it did not believe that the proposed boundary change provided a better option, given that it would have excluded the City of Nedlands' administration offices from the rest of the district.

The Board did not consider that the community of interest or the delivery of local government services would be enhanced by approving the proposal. The Board was also of the view that the traffic problems identified by the proponents would not be resolved any better, or more quickly by the City of Subiaco.

The Board considered all information provided during the course of the Inquiry and determined there was insufficient justification to support the proposal and that it would not be in the interest of the local community, other stakeholders or the local governments to amend the district boundary between the City of Nedlands and the City of Subiaco as proposed.

The Board recommended to the Minister for Local Government that both proposals be rejected as there was insufficient justification to support either proposal. The Minister accepted the Board's recommendation.

Amalgamation of the Shire of Tambellup and Shire of Broomehill

The Board finalised its Inquiry into a joint proposal for the amalgamation of the Shire of Tambellup and the Shire of Broomehill in March 2008.

The Board supported the formation of a new local government from the existing Shire of Tambellup and the Shire of Broomehill, to be named the Shire of Broomehill – Tambellup. The Board considered the collaborative and cooperative approach taken by the Councils in submitting their joint proposal and also the leadership displayed by the Councils was indicative of the strong community of interest shared by the two communities.

The Board felt that there would be few difficulties in merging the two local governments as they were already sharing a CEO and were almost operating as a single entity. The Board's financial analysis confirmed that the new Shire would be financially viable and able to deliver services without any diminution in service standards. It was felt that service standards could actually improve under the proposed amalgamation.

In assessing this proposal the Board examined each of the matters required under Schedule 2.1 of the Act, and also the financial impact of the amalgamation and matters relating to representation. The Board noted that the Shire of Tambellup and the Shire of Broomehill jointly submitted the amalgamation proposal. While the Board received submissions during its public consultation process that opposed the amalgamation, the Board believes that an amalgamation of the two Shires is in the best interests of the two communities. Factors that supported the amalgamation included the shared community of interest, the viability of the new local government and the improved capacity to deliver local government services.

The Board acknowledged the commitment of the Shire of Tambellup and the Shire of Broomehill in their efforts to progress the amalgamation. The Board supported the proposal to amalgamate the Shire's of Tambellup and Broomehill and recommended as such to the Minister for Local Government. The Minister accepted the Board's recommendation and the new Shire of Broomehill-Tambellup will be established on 1 July 2008.

Local Government Service Delivery to Indigenous Communities

In December 2008 the Minister for Local Government directed the Board to conduct a formal inquiry into local government service delivery to Indigenous communities, in accordance with Section 2.45 (c) of the Act. The Inquiry was motivated by the Bilateral Agreement on Indigenous Affairs signed by the State and Commonwealth Governments in July 2006.

The Bilateral Agreement was developed to achieve better outcomes for Indigenous people in Western Australia. It provides a framework and establishes priorities for the State and Commonwealth Governments to work together to achieve this goal. The delivery of local government services is a major component of the Agreement.

It is envisaged that the Board will submit its report on the Inquiry to the Minister in September 2008.

The terms of reference for the Inquiry were as follows:

1. The core services that local government should provide to agreed categories of Indigenous communities;
2. The legislative and financial impediments to local government providing services to discrete Indigenous communities;
3. The potential for local governments to deliver services, including essential services to Indigenous communities through regional councils and other contractual arrangements;
4. The Commonwealth/State funding arrangements that should be negotiated to implement reforms to local government service provision;
5. Accountability arrangements and issues of tied funding versus untied funding;
6. How the participation by Indigenous communities in local government can facilitate service delivery; and
7. The role of local governments in relation to Indigenous community governance.

The Inquiry involved an extensive six week consultation phase that included visits to 24 local governments and 28 Indigenous communities and Resource Agencies in the Pilbara, Kimberley, Goldfields and Murchison/Gascoyne regions.

The Board also met with a number of other key stakeholders as part of the Inquiry.

The Board's report will provide information to the State Government to facilitate its negotiations with the Commonwealth Government for funding to assist local governments in the delivery of services to Indigenous communities.

OTHER INFORMATION

Staff

The following officers provided executive, research and administration support to the Board:

Officers:	Ross Earnshaw	<i>Manager, Statutory Support</i>
	Gavin Horobin	<i>Policy & Research Officer</i>
	Wayne Davies	<i>Research Officer</i>
	Ainslie Perrigo	<i>Administration & Research Officer</i>

Publications

The following publications were produced in 2007/2008:

- *Assessment of the Proposal to Amalgamate the Shire of Tambellup and the Shire of Broomehill*
- *Proposals to Change the District Boundaries of the City of Nedlands and the City of Subiaco*

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.