



# **AGENDA**

## **SPECIAL COUNCIL MEETING**

### **2 April 2013**

#### **NOTICE OF MEETING**

**A SPECIAL MEETING OF COUNCIL HAS BEEN CALLED FOR THE PURPOSE OF:**

- **CONSIDERING THE CITY OF SOUTH PERTH'S SUBMISSION TO THE METROPOLITAN LOCAL GOVERNMENT REVIEW**

**THE MEETING WILL BE HELD IN THE COUNCIL CHAMBER AT THE ADMINISTRATION OFFICES, SANDGATE STREET, SOUTH PERTH ON TUESDAY 2 APRIL 2013, COMMENCING AT 7.00PM**

A handwritten signature in black ink, appearing to read 'Cliff Frewing'. The signature is written in a cursive, flowing style.

**CLIFF FREWING**  
**CHIEF EXECUTIVE OFFICER**  
**22 April 2013**

**Note:** This meeting will be audio-recorded in accordance with Council Policy P673 "Audio Recording of Council Meetings"



### *Our Guiding Values*

- *Trust - honesty and integrity*
- *Respect - acceptance and tolerance*
- *Understanding - caring and empathy*
- *Teamwork - leadership and commitment*



## SPECIAL COUNCIL MEETING

2 APRIL 2013

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## **SPECIAL COUNCIL MEETING**

**2 APRIL 2013**

### **AGENDA**

**1. DECLARATION OF OPENING**

*Mayor*

**2. DISCLAIMER**

*The Chairperson to read the City's Disclaimer*

**3. ANNOUNCEMENTS FROM THE PRESIDING MEMBER**

**3.1 Audio Recording of Council meeting**

**4. ATTENDANCE**

**4.1 Apologies**

**4.2 Approved Leave of Absence**

**5. DECLARATION OF INTEREST**

*Conflicts of Interest are dealt with in the Local Government Act, Rules of Conduct Regulations and the Administration Regulations as well as the City's Code of Conduct 2008. Members must declare to the Chairperson any potential conflict of interest they have in a matter on the Council Agenda.*

**6. PUBLIC QUESTION TIME (in relation to Item 8)**

**7. DEPUTATIONS (in relation to Item 8)**

## 8. REPORT

### 8.1 Metropolitan Local Government Reform

Location: City of South Perth  
Applicant: Council  
Date: 27 March 2013  
Author: Cliff Frewing, Chief Executive Officer

#### Officer Recommendation

That

- 1) The City does not support Option A or B of recommendation 15(c) of the Robson report to either wholly or partly amalgamate with the City of Perth for the following reasons:
  - a) There is no community of interest between the residents of the City of Perth and the City of South Perth;
  - b) The City of Perth should remain with a 'Capital City' focus and not be side tracked on suburban issues;
  - c) Assuming governance principles remain the same, the majority of elected members would be elected from south of the river – not the existing City of Perth area – which would be to the detriment of the CBD;
  - d) The principles of the Local Government Advisory Board would be compromised in that there is no justification for the City of Perth to be extended south across the Swan river as it is a natural feature and provides an ideal Local Government boundary.
- 2) That, subject to effective reform occurring in the western suburbs:
  - 2.1) The City's preferred course of action is to amalgamate with the Town of Victoria Park subject to:
    - a) The Burswood peninsular is retained by the City of Perth;
    - b) Boundary adjustments occurring to correct existing boundary anomalies between the Town of Victoria Park and City of Canning;
    - c) An extension of the new Local Government area at the existing southern boundary to Leach Highway being agreed;
    - d) Both Local Governments retaining existing Reserve funds to be spent specifically on uses in their current area for which the Reserves were created; and
    - e) All costs associated with the amalgamation being borne by the State.
  - Or that alternatively,*
  - 2.2) Should the Minister determine that the new structure of Local Government within the metropolitan area be based around Strategic Regional Planning Centres, the City's preferred course of action is to amalgamate with the Town of Victoria Park and with all or part of the City of Canning. Under this proposal, by definition, the new Local Government would need to include Cannington. It is acknowledged that the boundaries of the City of Canning may need to be adjusted in particular locations but the City of South Perth is not in a position to make any informed comments on what the most appropriate options might exist in this regard. This outcome would be subject to:
    - a) All affected Local Governments retaining existing Reserve funds to be spent specifically on uses in their current area for which the Reserves were created; and
    - b) All costs associated with the amalgamation being borne by the State; and
- 3) That arrangements be made for an informal meeting to be held with elected members of the Town of Victoria Park to discuss possible amalgamation issues.

### **Summary**

The purpose of this report is to provide a summary of actions taken since Council last considered this issue in November 2012. Council would be aware of the considerable consultation and dialogue that has occurred between the City and other local governments, particularly those in the south eastern metropolitan region. Notably, discussions have been held with the Town of Victoria Park and the Cities of Canning, Gosnells and Melville.

Further, the City has participated in an industry review of Local Government reform through a group of metropolitan local governments known as the G20.

In addition to the dialogue with other local governments, the City has conducted community consultation with residents of the City of South Perth through an information brochure incorporating a survey that was included in the Peninsula publication circulated in late January 2013.

The report details options considered, and takes into account the community survey and proposes a way forward.

### **Background**

The topic of Local Government Reform has been with the WA Local Government industry for a considerable period of time. In particular, the topic of reform has been active for the last five years when the Western Australian Local Government Association (WALGA), on behalf of the industry, initiated its Systematic Sustainability Study (SSS) study. Whilst a considerable amount of work was conducted by WALGA as part of this process, the work was not finished because the Minister for Local Government announced that the State Government would be driving the Reform process.

In February 2009, the Minister for Local Government announced that he was keen to see reform of local governments in the State, with changes that may result in changes in four areas:

- A reduction in the number of elected members to between 6 and 9;
- Regional groupings of Councils for service delivery;
- Amalgamations of local governments; and
- Boundary changes.

In September 2009, the City prepared a comprehensive submission to the Minister in response and concluded that the City would be prepared to amalgamate with the Town of Victoria Park but only if the Town agreed. The Town of Victoria Park's preference was to remain as it was and is still of that view.

Later, in August 2011 the City prepared a submission on the matter of Elected Member Representation and Ward boundaries, and Council agreed to reduce the number of Elected Members from 13 to 9 and reduce the number of Wards from 6 to 4 with effect from October 2013. The Local Government Advisory Board has since agreed with this proposal and the new arrangements have been gazetted to come into effect later this year. The Minister appointed an independent expert panel in June 2011 to further review and report on local government reform.

The Independent Metropolitan Governance Review Panel, chaired by Professor Robson, released an Issues Paper together with a series of questions in October 2011, inviting public submissions by 23 December 2011 to which the Council responded.

Following the consideration of submissions, the Panel released their Draft Findings in April 2012 seeking final comment by 25 May 2012 to which the Council also responded with a comprehensive submission.

The Robson Report was presented to the Minister in June 2012 and he released the report to the sector in October 2012 for comment by 5 April 2013.

In relation to the key amalgamation issue, numerous discussions have been held over the last three years or so with neighbouring local governments, in particular the City of Belmont (which ultimately decided its fate lay in the Eastern metropolitan area) and the Town of Victoria Park (which has decided that its preference is to “stay as is” for the time being).

Since the release of the Robson Report two further developments have occurred. Initially, the local governments within the South East region combined to review alternative options as there was a general consensus that the Robson Report did not arrive at a workable (or sensible) reform solution.

Secondly, the majority of local governments within the metropolitan region strongly believed that the local government industry should take responsibility for its own actions and lodge a submission on behalf of the majority of metropolitan local governments. There was a similar view expressed by this group that the Robson Report recommendations were neither appropriate nor realistic.

This group was known as the G20 and a number of proposals were presented as alternatives to the Robson Report recommendations dependent upon the number of metropolitan Local governments ultimately determined by the Minister.

The recommendations presented by the City of South Perth are consistent with the findings of the G20 report as well as the findings of the South East region group of Local Governments.

At the November 2012 meeting, Council considered the initial report on this subject and resolved as follows:

<b>OFFICER RECOMMENDATION AND COUNCIL DECISION ITEM 10.6.7</b>
--

Moved Cr Hasleby, Sec Cr Gleeson

That the Council:

- (a) include a special four page Metropolitan Local Government Reform insert in the January 2013 *Peninsula* seeking the community’s view on the Metropolitan Local Government Review Final Report and Recommendations; and
- (b) consider this matter in February 2013 inclusive of community comment, with a final report to be prepared for Council consideration in March 2013.

CARRIED (11/0)

As a consequence of this decision, the “Summer Peninsula” contained a four-page lift out entirely devoted to the subject of metropolitan local government reform. The lift out contained a survey and invited feedback on the options provided. In addition, the CEO gave an update to Councillors on progress of the review and options being considered at a Briefing session held on 19 February 2013.

**Comment**

A submission has been prepared in response to an invitation made by the Minister for Local Government to respond to the recommendations of the Robson report.

Of the 30 recommendations contained in the Robson Report, 29 are relatively straightforward. The one recommendation – 15(c) has, understandably occupied much of the local government sector’s time over the past few months because it recommended a reduction of local governments from 30 to 12.



Recommendation 15 (c) is as follows:

*“A new structure of local government in metropolitan Perth be created through specific legislation which reduces the number of local governments in metropolitan Perth to 12.”*

The Panel identified and recommended two options for the future of metropolitan reform, with regards to this:

- A. Amalgamation only** - Wholly merge the City of Perth along with the Town of Victoria Park and the City of Vincent; and
- B. Amalgamations and splitting of Local Government areas** - Partly merge with the City of Perth along with parts of Victoria Park, Nedlands, Stirling, Vincent and Cambridge.

The Panel supported Option B. The City has reviewed the recommendations of the Robson Report and they are not supported.

In the coming to this conclusion, the City has addressed this recommendation in a number of ways:

- Referred to the City’s previous submissions and in particular the submission dated September 2009 and subsequent submissions as part of the Robson review process;
- Discussions were held with neighbours between the Mayor and CEO, particularly with the Town of Victoria Park and the City of Canning;
- A south Eastern metropolitan group of CEO’s who reviewed options in the south eastern region;
- A group formed by the majority of metropolitan local governments known as the G20 group of Councils and facilitated by *Planning Context*; and
- Conducted a survey of residents by identifying the main options available.

During the course a number of alternative options have been identified. Doing nothing and remaining ‘as we are’ was not considered as a viable or realistic option. The range of options considered are as follows:

- The City of South Perth and the Town of Victoria Park merging
- The City of South Perth and the Town of Victoria Park merging with all or parts of Belmont, Canning or Melville
- The City of South Perth and the Town of Victoria Park merging – *extended to Leach Highway*
- The City of South Perth and the Town of Victoria Park merging - *extended to Roe Highway*
- The City of South Perth and the Town of Victoria Park merging - *extended to Roe Highway (and to the west)*
- The City of South Perth and the Town of Victoria Park merging - *extended to the City of Gosnells boundary*
- The City of South Perth and the Town of Victoria Park merging - *extended to Vahland Avenue Willetton*
- Merger between the City of South Perth, the Town of Victoria Park and the City of Canning
- G20 option - 22 Local Governments
- G20 option - 20 Local Governments
- G20 option - 18 Local Governments
- G20 option - 16 Local Governments
- G20 option - 15 Local Governments
- G20 option - 9 Local Governments

Comments on all these options are contained in the draft submission attached (attachment 8.1(c)). Comments on the G20 options are contained in a document entitled “Exploring Potential Metropolitan Local Government Amalgamations” by Planning Context (attachment 8.1(b)).

### **Consultation and Information**

The City has invited residents to comment on the most obvious reform options and the results of that consultation are included in the body of the report. In addition, to the 'lift out' article being included in the 'Peninsular', similar information is available on the City's webpage where comment is also invited.

The Council has been very much involved in the reform initiative over the past 5-6 years, initially through the WALGA "SSS" project and later through the Ministers reform programme. Council has regularly received updates and reports at appropriate times and submissions authorised.

In more recent times, the Mayor has been providing regular updates to Councillors on progress made by the G20 Group of Councils.

The CEO provided an update on the progress of the review to councillors at a briefing session held on 19 February 2013.

### **Policy and Legislative Implications**

There is significant change anticipated which would require considerable amendment to the *Local Government Act 1995* to facilitate local government reform outcomes.

Council has previously considered the topic of Local Government Reform on a number of occasions. In September 2009, Council considered and adopted a comprehensive submission (attachment 8.1(a)) which basically favoured an amalgamation with the Town of Victoria Park as a minimum – although other options were available.

In June 2011, an independent review panel chaired by Professor Alan Robson was appointed by the Minister to investigate and report on local Government reform in the metropolitan area. Two submissions were approved by the City, firstly in December 2011 and secondly in May 2012.

Later in August 2011 as part of the reform programme, Council adopted a report to reduce the number of elected members from 13 to 9 and reduce the number of wards from 6 to 4. The new arrangements come into effect in October 2013.

In October 2012, the Minister released the Robson report for comment with a closing date for submissions on Friday 5 April 2013. Council considered the report recommendations in November 2012.

### **Financial Implications**

It is anticipated that the outcome of the Metropolitan Local Government Review will have significant financial and sustainability implications for the City of South Perth. It is highly likely that the City will be amalgamated with either the City of Perth consistent with the recommendations of the Robson report or with the Town of Victoria Park and possibly all or parts of the City of Canning.

Unfortunately there is little financial information available to provide any meaningful analysis to ensure short, medium or long term financial sustainability.

Whilst there are obviously savings, there are also significant costs that will be increased as a result of an amalgamation process. These include, but are not limited to:

- The costs of merging the Town Planning Schemes, Policies and Local Laws, IT systems and EBA's and HR Practices etc.;
- The costs of inevitable redundancies, rationalisation and other associated 'merger' costs; and
- Costs associated with rationalisation of administration/civic centre buildings etc.

**Strategic Implications**

This report is consistent with the, Direction 6 – Governance, Advocacy and Corporate Management “Ensure that the City has the organisational capacity, advocacy and governance framework and systems to deliver the priorities identified in the Strategic Community Plan”.

The Reform agenda is now being driven by the State and it is in the City’s best interests to respond in a proactive and responsible manner.

**Sustainability Implications**

This report is aligned to the City’s [Sustainability Strategy 2012–2015](#).

This report and draft Submission paper has been prepared directly in response to the Western Australian State Government Metropolitan Local Government Reform process, which is aimed at making the industry more sustainable and stronger into the future.

**Attachments**

- 8.1(a) Submission to the Minister for Local Government, September 2009
- 8.1(b) Metropolitan Local Government review (G20 report) prepared by Planning Context dated 27 March 2013
- 8.1(c) Draft submission to the Minister for Local Government, March 2013

**9. CLOSURE**

**10. RECORD OF VOTING**