



Submission to the Hon Minister for Local Government

Local Government Reform

September 2009

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Table of Contents

1.	EXECUTIVE SUMMARY	4
2.	INTRODUCTION.....	5
2.1	Background	5
2.2	City of South Perth Profile	8
2.3	Reform Opportunities	9
3.0	LOCAL GOVERNMENT ADVISORY BOARD	11
3.1	Principles.....	11
3.2	2006 Report	20
4.	SUSTAINABLE CITY OF SOUTH PERTH	20
4.1	Local Government Checklist	21
4.2	Access Economics.....	21
4.3	CRL Highbury Consulting	22
4.4	Fiscal Star.....	23
5.	REFORM AGENDA.....	24
5.1	Elected Members.....	25
5.2	Regional Groupings of Councils for Service Delivery	27
5.3	Amalgamation	29
5.4	Boundary Changes.....	32
6.0	CONSULTATION	33
6.1	Reform Package	33
6.2	Visioning	34
	Table 1	36
	Table 2	37
	Table 3	39
	Map 1.....	40
	Map 2.....	41
	Map 3.....	42
	Map 4.....	43
	Map 5.....	44
	Map 6.....	46
	Attachment 1	47

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1. EXECUTIVE SUMMARY

The City has complied with the Minister's direction and has reviewed its position in relation to reduction in the number of elected members, enhancing resource sharing within a regional grouping of Councils, amalgamations and boundary changes.

The City agrees with the proposal to reduce the number of elected members from 13 to nine with effect from the 2011 election date. Council has not yet determined revised ward boundaries to facilitate the reduced number of elected representatives, but will do so in the future.

The City is currently involved with many resource sharing initiatives with other Local Governments - particularly the Town of Victoria Park and the extent of the resource sharing is detailed in this submission. The City is well aware of the benefits associated with resource sharing and is continually looking for opportunities to increase shared activities.

In terms of Local Government amalgamations the City of South Perth is open to boundary/amalgamation where there will be benefits to the residents as a result of boundary/amalgamations. It is acknowledged however that the Town of Victoria Park is firmly of the view that it does not wish to be either split or amalgamated and the City respects this view. The City has a very good relationship with the Town of Victoria Park and makes no claim on any land controlled by the Town.

The City does however recognise the potential benefits that may arise from an amalgamation with the Town of Victoria Park should the Minister mandate such an outcome. Only in this instance or should Town of Victoria Park change its position should boundaries be reviewed. Should this occur, an opportunity would be created to review boundaries including land currently in the City of Canning north of Leach Highway which, if consolidated into an amalgamated City of South Perth and Town of Victoria Park would result in a more logical boundary with greater compliance with the principles established by the Local Government Advisory Board.

Further options have been considered which involve the City of Belmont. A combined Local Government consisting of the City of South Perth, Town of Victoria Park and City of Belmont would equate to a Local Government the size of the City of Melville. The City of Belmont has however indicated that its future lies with established connections with the Eastern Metropolitan region and as a consequence, the City does not recommend any merger between the three Local Governments involved.

Similarly however, should the Minister mandate an amalgamation between the three Local Governments, further boundary changes involving the City of Canning in the Welshpool area and changes to ensure the whole of the Perth Airport land is contained within one Local Authority would seem to be desirable.

It is considered that either option detailed above would result in a sustainable Local Government with a diversity of land use with greater opportunities for improved service delivery. Elected representation is however an issue in any amalgamation proposal and it is felt that the loss of elected member representation compared with the current level of representation would be detrimental to residents affected by the change.

Whilst no recommendation is made in relation to amalgamation, should this occur, it would seem desirable that more than nine elected members would be beneficial for any amalgamated Local Government - at least in the short to medium term.

The City acknowledges that if redrawn, boundaries would not be drawn as they currently exist and anomalies exist. These anomalies however do not cause any operational difficulties for the residents or for the affected Local Government and as a result, no boundary changes are proposed if the status quo is to remain.

2. INTRODUCTION

It is important to firstly "set the scene" to enable ratepayers and residents, who may not be familiar with this issue, to gather an understanding as to what this submission means. The general topic of Local Government Reform whilst not new to those actively engaged in this industry will likely be regarded as a mystery to the majority of the population.

2.1 Background

In February 2009, the WA 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:

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

In considering the issue of Local Government reform, the Minister was keen to involve the community in this process and as a result, desired community consultation to occur to ensure that the Local Government took into account views of the community.

The Minister advised that he believes local government in its current form is not sustainable, and that:

- There are 85 local councils in WA serving populations of less than 2,000 people.
- More than 50 councils have representation ratios of one Councillor to less than 100 electors and in some instances this ratio is as low as one to 20.
- Benefits from amalgamations across the state, including metropolitan Perth, will be very significant, including achieving greater economies of scale, elected members clearly focusing on governance and long-term strategic planning.
- Increased competition for staff positions within the sector will be a welcome change from the present situation.
- Fewer, yet larger, local governments would improve their State and Federal Government lobbying capacity, and this may lead to additional funding and

partnerships from those levels of government and the private sector to further improve services to communities.

It was noted that the Local Government Advisory Board in 2006 reported that there were 142 local governments in WA and virtually all of the State is part of a local government area. Local governments vary enormously in size, from 1.5 km² to 378,555 km², and in population from 130 to over 180,000. For non-metropolitan local governments, the median population is 1400.

Local government in Western Australia is a major industry, employing approximately 14 000 persons, with a total operating revenue in excess of \$2.8 billion. Local government controls substantial infrastructure assets, and has a net asset value in excess of \$12.4 billion. However, the Minister has noted that many of the smaller local governments have limited revenue bases, with 22 local governments reporting own source revenues of less than \$1M, and 42 local governments with rate revenues less than \$1M.

To facilitate the reform process, the Minister has formed a Local Government Reform Steering Committee. This Committee comprises representatives from the Minister's Office, the State Department of Local Government and Regional Development, the WA Local Government Association, Local Government Managers Australia (WA Division) the Chamber of Commerce, Department of Planning and Infrastructure, the University of Western Australia and the Local Government Advisory Board [LGAB] and is tasked with reviewing submissions from individual Local Governments and making recommendations to the Minister.

The Committee has requested that local governments follow a 5 stage process, which is summarised at Attachment 1.

The process suggested by the Minister involves stages, with a final submission originally requested by 31 August 2009. This date has now subsequently been amended to 30 September 2009.

The Local Government Reform Steering Committee has supported the need for reform and recognised that action was required in view of the following pressures on the sector:

- The need for structural change as highlighted in a range of studies in Western Australia undertaken over the past 20 years focusing on the sustainability of the sector.
- The need for improved operational performance and governance capacity.
- A shortage of appropriately skilled human resources across the sector.
- Commonwealth Government support for the reform process, which recognises the increasing role of Local Government in state and Commonwealth service delivery.

Subsequent to the Minister's advice, the Department of Local Government circulated Structural Reform Guidelines prepared by the Local Government Reform Steering Committee which included six actions to be taken by each Local Government. These actions, together with a brief comment on actions taken are as follows:

Action	Comment
1. Local Governments complete reform checklist and forward to the Local Government Reform Steering Committee by 30 April 2009.	Checklist submitted by due date
2. Local Governments identify and meet with potential partners.	Meetings regularly being held with Belmont and Victoria Park as well as Canning on a needs basis.
3. Local Governments undertake a preliminary assessment to confirm amalgamation grouping is appropriate.	Assessment on local groupings conducted by the CITY.
4. Local Governments decide on the appropriate combination of councils.	Assessment on local groupings determined by physical relationship.
5. Local Governments to consider proposals for a reduction in the number of elected members.	The Council has considered this proposal and agrees to reduce the numbers of elected members to 9 (referred to later in this report).
6. Local Governments to consider the skill sets for establishing a project team to co-ordinate the reform process.	Project Team consisting of Mayor, Deputy Mayor and CEO formed.

In addition, the Minister has indicated that the principles for reform for each Local Government will be assessed in the following areas:

1. Long term strategic planning;
2. Detailed asset and infrastructure management planning;
3. Future financial viability and planning;
4. Equitable governance and community representation;
5. Proficient organisational capacity;
6. Effective political and community advocacy for service delivery;
7. Understanding of and planning for demographic change;
8. Effective management of natural resources;
9. Optimal community of interest; and
10. Optimal service delivery to community.

In respect of each of these areas, the City provided a comprehensive response when completing the Local Government "Checklist" in April 2009 and as a consequence, has nothing further to add.

During the limited period available, the City of South Perth, together with the Town of Victoria Park and the City of Belmont worked collaboratively on this reform exercise and jointly engaged a consultant, CRL Highbury Consulting to assist in preparing detailed information to aid the Local Governments in responding to the Minister.

The objective of this collaboration was to ensure that the Local Governments would be in a position to make an informed submission to the Minister.

The City has unusual, if not unique, physical characteristics because the Swan and Canning Rivers are located on three of its four boundaries. The City of Perth is situated to the north across Perth Water and the City of Melville to the southwest of the City is separated by the Swan and Canning Rivers. For these reasons it is most unlikely that the LGAB would support any boundary or amalgamation proposals as the separation of the land areas by the Swan and Canning Rivers would be in conflict with one of the main principles that the Board has adopted, ie there is no common or topographical feature between the City of South Perth and the Cities of Perth and Melville.

Again, for these reasons no discussions have been held with either the City of Perth or the City of Melville on the topic of Local Government Reform at this time.

2.2 City of South Perth Profile

The City of South Perth is located about four kilometres south of the Perth GPO, and as Perth's most liveable community, it is noted for its gracious street trees, extensive parks and gardens and its leafy environment, all of which complement the urban village atmosphere cherished by its residents.

With an area of 19.9 kilometres the City offers a highly urbanised environment, dominated by residential land uses. Providing a range of dwelling types often found in a conventional garden city suburb, and a range of medium to high density housing types the City supports a current population of approximately 43 000 people.

Bounded by the Swan River in the north and west, the Canning River in the south, the City only has land boundaries with the Town of Victoria Park. The City has substantial parkland areas and commercial land use mainly along the Canning Highway.

As an inner city area, the land area has been used efficiently and maintained attractive urban and natural environs and covers the suburbs of Como, Karawara, Kensington, Manning, Salter Point, South Perth and Waterford.

Major attractions of the City include the Swan River, Sir James Mitchell Park, Perth Zoo, Royal Perth Golf Club, George Burnett Park and Leisure Centre, and Milyu Nature Reserve.

History

South Perth was first Gazetted as a Roads Board on 19 June 1892 and held its first Meeting as a Roads Board on 19 September 1892. Ten years later the Roads Board became a Municipality before reverting back to its original status as a Roads Board in 1922. South Perth was Proclaimed as a City on 1 July 1959 and has remained the City of South Perth ever since.

The original inhabitants of the South Perth area were the Nyungar Aboriginal people. European settlement of the area dates from 1829, mainly on the foreshore, closest to Perth. Substantial residential growth took place in the 1950s and 1960s, aided by

improvements in access, the construction of roads and bridges, and the influence of the War Service and State Housing Commissions. The population continued to increase reaching 38,000 in 2006 and Current Population as at 30 June 2008 is 42,595. Estimations of an Aboriginal population residing within the City are above 1%.

The area comprising South Perth has changed since originally being gazetted as a Road Board. In 1955, a large portion of Southern South Perth (Waterford, Manning and Salter Point) was transferred from the administration of the Canning Roads Board to the City of South Perth.

Historical information (Local Studies material, archives, newspapers, oral history and photographs) on the City of South Perth is available for inspection through the Local Studies Collection at Heritage House.

The City of South Perth is well serviced with community facilities. The City operates two libraries (the main library located at the Civic Centre, the other at Manning). The Civic Centre Library is currently being modernised and extended. The City also operates a large community hall at the Civic Centre which is also currently being refurbished.

A multi purpose community centre is located at Manning and the City operates two Senior citizen's Centres.

The City also operates a 169 independent living unit facility together with a 40 bed hostel at Collier Park. A stand alone Operations Centre incorporating a waste transfer station and dog pound is also located within this facility. The Collier Park Golf Course is owned and operated by the City.

The City is well known for its high quality parks, reserves, sportsgrounds and foreshores. In total the City has 614 ha of public open space under its care, control and management (Table 2). The area of land allocated for this purpose represents 30% of the City's total area which is significantly more than neighbour authorities.

2.3 Reform Opportunities

A diagram showing the boundaries of the City of South Perth is shown at Map 1 attached to this submission.

The most obvious feature that this diagram reveals is that the City effectively only has one boundary with another Local Government. The City's border to the north is Perth water separating the City from the City of Perth. To the west along the entire boundary from the Narrows to Mt Henry is the Swan River with Canning Bridge the only connection with the City of Melville. To the south between Mt Henry and Centenary Avenue in Waterford, the City's boundary is with the Canning River.

This only leaves the eastern boundary (which save for a very small distance in City's south eastern corner which borders with the City of Canning) is entirely shared with the Town of Victoria Park.

Any amalgamation of Local Government boundaries therefore involving the City of South Perth must by necessity involve the Town of Victoria Park. It is not logical to conduct meaningful reform with the City of Perth to the north or the City of Melville to the south west because there are no common land boundaries.

Similarly, amalgamation with the City of Canning without the inclusion of the Town of Victoria Park is illogical as there is little common community of interest between the two cities.

The City has not had an opportunity to investigate the implications or options available if wholesale reform of Local Government within the metropolitan area occurred. One logical option under this scenario would be to create large Local Governments based around regional centres. In the southern metropolitan area this would involve creating new Local Governments with communities of interest surrounding the areas of Midland, Cannington, Melville, Rockingham and Armadale. This would make sense and would be further enhanced if State Government Department boundaries, ie Education, Health and Police were amended to fit revised Local Government boundaries. Clearly though, the scope of a 'macro' review of metropolitan Perth involving changes to State Government Department boundaries of this nature is beyond what is required in this submission.

The reform options considered have therefore involved the City's eastern neighbour, the Town of Victoria Park together with the Town of Victoria Park's eastern neighbour, the City of Belmont. This is partly because the three Local Governments were the subject of a recommendation made by the Local Government Advisory Board in 2006 to the Minister.

That the Minister submit a proposal to the Local Government Advisory Board for the division of the Town of Victoria Park between the Cities of South Perth and Belmont.

This recommendation was not acted upon by the Minister.

In addition, in 2007 a taskforce of experienced Local Government CEO's was commissioned by Local Government Managers Australia [LGMA] (WA Division) to conduct research into what Local Government could look like in 2027. This report entitled *Stronger, more effective Local Government - The Structure of WALGA in 2027* proposed a reduction in the number of Local Governments statewide to 30 and in the metropolitan area from 30 to 13. The Cities of South Perth and Belmont and the Town of Victoria Park were combined to form a 'City of Curtin'.

The report was based on a futuristic scenario, ie Local Government in 2027 but was not based on any detailed financial or sustainability analysis. It was however, based on logical physical grouping of existing Local Governments.

3.0 LOCAL GOVERNMENT ADVISORY BOARD

3.1 Principles

The LGAB has established a set of guiding principles to assist local governments in assessing the viability of potential amalgamation opportunities. Whilst the guiding principles have been ranked by the LGAB in order of perceived importance, the Board has ultimately determined that local governments must consider all of the principles when assessing potential amalgamation or boundary change opportunities. Specifically, the Board has stated that:

It would be rare for a single factor alone to justify change or the status quo. In nearly all cases, a combination of factors is needed to determine the most appropriate assessment by the Board¹

It is clear therefore that Local Governments must satisfy a number of the principles in order for any proposal to be approved by the Board. The principles, in order of importance, to be addressed when considering boundary changes are:

- Community of Interest
- Physical and Topographic Features
- Demographic Trends
- Economic Factors
- History of the Area
- Transport and Communication
- Matters Affecting the Viability of Local Governments
- Effective Delivery of Local Government Services

ADDRESSING THE LGAB GUIDING PRINCIPLES

Community of Interest

Community of Interest was ranked by the LGAB as the highest priority for local governments considering amalgamation and boundary change. Whilst the LGAB has stated that no single factor will normally determine the outcome of an amalgamation decision, it is clear that strong Community of Interest grounds would significantly influence the LGAB's assessment process.

The Community of Interest principle is interpreted broadly and takes in those shared interests, values, characteristics and issues which contribute to create a community's 'identity'. Included here are similarities in the characteristics and demographics of the resident populations, as well as in the economic activities of the district. This also includes the existing interdependence on facilities located in adjoining areas/suburbs such as local schools, sporting, leisure and library facilities, and shopping precincts.

The external boundaries of a local government must be given specific consideration when looking at boundary change. The LGAB has stated that existing neighbourhoods, suburbs and towns should be maintained wherever possible in all

¹ Local Government Advisory Board, 2006, Ensuring the Future Sustainability of Communities, p.39.

new proposals and these areas should not be divided between different local governments under any new structure.

With respect to any merger or boundary change involving the City of South Perth, Town of Victoria Park and City of Belmont the major community of Interest factors are considered to be:

- Swan River, foreshore, and parklands - shared across South Perth, Victoria Park and Belmont. The parklands are accessed by residents of all areas, as well as visitors from further afield.
- Curtin University - Located in Victoria Park on the border of South Perth and Canning. University facilities are utilised by South Perth, Victoria Park and Belmont residents, as well as by community members from further afield. The needs of Curtin staff and students including housing, shopping and recreation are met by both South Perth and Victoria Park, as well as by the City of Canning.
- Canning Highway - Restaurants, commercial, and retail outlets used by residents of South Perth and Victoria Park. The extension of Canning Highway into the Great Eastern Highway links the City of South Perth with Victoria Park and Belmont.
- Manning Road - Major arterial road linking the City of South Perth with Victoria Park and Canning in the Curtin University area. It is a major access road used by South Perth and southern suburbs residents to access the eastern suburbs (and vice versa), Canning Bridge Railway Station, to Cannington, and Curtin University. The Manning Road precinct provides services - medical, hairdressing, petrol stations, fast food outlets - some smaller retail outlets, and the Waterford Plaza Shopping Centre. The City of South Perth provides a library and recreation facilities in the area. Services and facilities in the Manning Road precinct are used by students of Curtin University located in the Town of Victoria Park, as well as residents of South Perth, Canning and the southern suburbs.
- The Park Shopping Centre and Albany Highway retail precinct located in Victoria Park are easily accessible by South Perth and Belmont residents, particularly those who reside in Kensington.
- Victoria Park has numerous recreation facilities, including gymnasiums and swimming facilities are also easily accessible and utilised by South Perth residents.
- Collier Park Public Golf Course - Located in South Perth, the course is considered a regional facility, very accessible by residents of Victoria Park, Belmont, and Canning as well as visitors from other regions.
- Bentley Technology Precinct - The Technology Park is located in both the City of South Perth and Town of Victoria Park. Staff, clients and visitors to the Technology Precinct utilise resources and localities within both municipalities.

- The City of South Perth and the Town of Victoria Park have a history of sharing services and resources across organisations. South Perth and Victoria Park currently have shared services arrangements such as street sweeping operations and have recently entered into a joint tendering process for services such as surveying and design, as well as maintenance work such as mowing, concreting and paving. Further opportunities for sharing resources are consistently being sought and identified in order to assist both organisations in the efficient and cost effective delivery of services across the communities.

The issue of shared services is addressed in more detail later in this submission.

Physical and Topographic Features

The external boundaries of a local government must be clearly distinguishable and this is most often achieved by adopting physical and topographical features as city borders. Features may be natural – rivers, catchment boundaries, coastal plains and foothills, parks and reserves – or manmade features such as railway lines or freeways. Such features may also be utilised in the design of district and/or ward boundaries.

The Swan and Canning Rivers are natural boundaries that currently border the City of South Perth. The shared Swan River and foreshore is a natural north/northeast boundary for any amalgamated City involving South Perth, Victoria Park and Belmont.

In terms of an amalgamation of Local Governments there are numerous options available for consideration - all of which would need to be considered carefully by each affected Local Government. The effects of some of the options would have repercussions because of the 'snowballing impact' on neighbouring Local Governments.

Possible options and a brief description are as follows:

Merger between City of South Perth and Town of Victoria Park

- No change to boundaries
Clearly the simplest and quickest option. The boundary between Town of Victoria Park and City of Belmont is Orrong road, a main arterial road and for the most part is a logical boundary.
- As above with boundary changes at Bentley and Wilson
The existing southern boundary of Town of Victoria Park and the City of Canning is illogical and would not be replicated today if boundaries were redrawn. Two options are readily identifiable using physical features:
 - (a) Extend the Town of Victoria Park southern boundary to Manning Road and Leach Highway to Albany Highway; or
 - (b) Extend the Town of Victoria Park southern boundary to Leach Highway and then to Albany Highway.

Merger between City of South Perth, Town of Victoria Park and City of Belmont

- No change to boundaries
Again, clearly an easy option, but does not take advantage of opportunity to resolve existing boundary anomalies (that to a very large degree do not affect or involve the City of South Perth).
- As above with boundary changes at Kewdale, Forrestfield and Perth Airport.

The City of Belmont boundary with the City of Canning to the south follows the southern edge of the former WA Government Railways marshalling yards in the area, which are being redeveloped. The boundary in this area is also illogical, difficult to follow, and arguably makes integrated planning for an area that is a major transport and logistics hub for the State economy difficult.

The industrial area is further shared with Victoria Park, although the issues would seem lesser as the main industry in the area is split between Belmont and Canning.

Given the presence of the Perth International airport, the Forrestfield Rail Terminus, Leach, Roe, Tonkin, and Great Eastern Highways and their associated links to other transport routes, and major industrial areas within the region the existing boundary alignment is less than ideal.

Many issues are dealt with at State Government level in terms of these major transport routes, and it would make sense if boundary adjustments occurred, the benefits of such adjustments were considered in order to facilitate improved transport in the area with planning and development.

Belmont is further affected by the presence of the Perth International airport within its nominal district boundary. The airport is owned by the Commonwealth Government, and while on the face of things there is no practical effect, it is also partly in the City of Swan and Shire of Kalamunda.

Again, many sub-options exist if a boundary rationalisation exercise was favoured and the options are detailed below. For the purpose of this exercise, it is assumed that boundary adjustments to enable the whole of the Airport to be within the City of Belmont are made.

- (a) Amend the boundary to Orrong Road, Leach Highway, Tonkin Highway and Perth Airport (Map 4).

This would involve Belmont surrendering land in Kewdale to the City of Canning, but would not be an ideal outcome from a transport planning point of view. This is because the area is a base for heavy haulage vehicles, many of which are located within Perth Airport land. It would make sense if Kewdale remains under the control of the City of Belmont.

- (b) Amend the boundary to Orrong Road to Kewdale Road, Tonkin Highway and Perth Airport (Map 5).

A more logical option from a physical point of view, but splits Kewdale, creating Kewdale north and south at Kewdale Road.

It is acknowledged that the above scenarios, whilst more logical than the boundaries that currently exist, do not take into account the significant impact on the City of Canning. The options identified are only identified for further consideration if the Minister decided to proceed with 'forced' amalgamations.

The financial and other implications of these options have not been investigated in detail and further research and analysis would inevitably need to be conducted by all Local Governments involved to progress these options.

Demographic Trends

Population and demographics are a vital consideration when seeking to incorporate existing communities into new municipalities. The LGAB has emphasised that the following characteristics of communities should be considered in any amalgamation or boundary change proposals:

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

The predominant factors to consider here are:

- the likely cohesiveness of the new community, and
- the ability of the new municipality to deliver a diversity of services to meet the needs and expectations of an expanded population

The key demographics of South Perth, Victoria Park and Belmont are presented in Table 1 appended to this report. The data clearly demonstrates that significant similarities exist across the three municipalities. The population size data in the table is taken from the most recent (2007/08) annual reports by each of the local governments, with all other data provided by the Australian Bureau of Statistics via the Profile ID website.

As evident from Table 1, the Local Governments have experienced a steady increase in their populations over the past five years, with this trend anticipated to continue beyond 2010. All Local Governments have very similar demographics in terms of age and gender distribution, with migrants from overseas (principally from North West Europe and South East Asia) making up a large percentage of those residents not born in Australia. Commonalities also exist across all three populations in terms of occupation with residents predominantly engaged in Professional, Technical and the Trades, as well as Clerical and Administrative fields.

The similarities shared by South Perth, Victoria Park and Belmont will comprise an important factor in any proposal for amalgamation or boundary change. On available data there is every indication that an amalgamated community would be a cohesive one due to the clear commonalities shared across the groups.

Of particular importance in any scenario is the proposed new Local Government's ability to meet the needs of its expanded population. The ratio of elected officials to residents is an important element in ensuring the democratic representation of the community, and the ability of the municipality to deliver services to all stakeholders. The current governance ratios within South Perth, Victoria Park and Belmont are typical of those expected from relatively small metropolitan local government with ratios ranging from one elected member per 2700 people in Victoria Park through to one member per 3200 residents in South Perth.

A merger between South Perth, Victoria Park and Belmont would result in a ratio of 1 elected member to approximately 8000 residents. Whilst this is comparable with other large metropolitan councils such as City of Melville with a ratio of 1 elected member per 7600 residents and City of Canning with 1 elected member per 7977 residents, some period of phase in adjustment would appear necessary as a merger between City of South Perth and the Town of Victoria Park would potentially result in a loss of 13 elected members and if a merger between the City of South Perth, City of Belmont and Town of Victoria Park occurred, a reduction of 24 elected members would result.

Economic Factors

Economic sustainability is a major factor underlying the move toward structural reform in the local government sector. Economic factors can include any aspect which reflects the character of economic activities and resources in the area including:

- Industries within the local area;
- Rates paid by different sectors;
- Distribution of community assets; and
- Infrastructure (such as road works).

Across the areas currently administered by South Perth, Victoria Park and Belmont exists a mix of commercial, retail, industrial and lifestyle/recreational enterprises. However, the blend of industrial, commercial and residential land usage is significantly different across the municipalities.

Victoria Park has major business and shopping facilities on Albany Highway, the Victoria Park and East Victoria Park precincts, and in Burswood. There is a light industrial area in Carlisle. Burswood International Resort Casino includes a convention centre and a major entertainment centre (the Burswood Dome) with increasing residential development. Burswood Park includes an 18 hole public golf course.

Curtin University, located within the Town of Victoria Park and on the border of South Perth, is Western Australia's largest and most multi-cultural university and has approximately 40 000 registered students. With education being Australia's third largest export industry and on the verge of an ambitious expansion program, the

University is very significant, not only to the local economy, but also to the State's economy.

The Bentley Technology Park Precinct is Western Australia's premier location for technology driven and innovative organisations dedicated to Information technology and renewable energy and clean technologies and life sciences. More than 100 organisations including technology based industry, research and development, academia and support organisations are based at Technology Park. There is also a synergy with Curtin University because of its close proximity. Technology Park is also on the verge of a major expansion program.

The land contained within the Technology Precinct at Bentley is located in both the Town of Victoria Park and the City of South Perth.

Belmont is predominantly commercial and light industrial, with some micro and home-based industry. The major enterprises within the City of Belmont include the domestic and international airports, the Ascot Waters marina, Ascot Racecourse, the headquarters of multi-national companies, Belmont Forum Shopping Centre, and the Oasis Leisure centre. Belmont has a significant and expanding major commercial and industrial activity within the Perth Airport site, land which is controlled by the Commonwealth Government.

South Perth has the Perth Zoo, Royal Perth and Collier Park Golf Courses, Waterford Shopping Centre, Mends and Angelo streets 'village' shopping precincts, retail and restaurant precincts. South Perth is also known for its major concentration of schools, both government and highly regarded private institutions such as Aquinas, Penrhos and Wesley Colleges. South Perth is the only one of the three municipalities that does not have an identifiable industrial sector or a major commercial/retail presence.

Vital to the success of any proposed new municipality will be the existence of an appropriate mix of residential, commercial, retail, and industrial revenues. The current mix of rate revenues generated from within each of the three municipalities is set out in Table 2.

As evidenced in the Table, Belmont has a well balanced spread of rateable land use, with a relatively low reliance on residential rates. Victoria Park also has a reasonable balance of rateable land use. South Perth has no industrial areas, limited commercial activities and only a small number of 'village' retail precincts. As a result it has a less diversified mix of rateable land use and is heavily dependent on residential rates.

The rate in the dollar amount across South Perth, Victoria Park and Belmont ranged from 7.40 cents to 8.86 cents for general residential rates in the 2007/2008 financial year. By comparison the City of Melville, an existing municipality of comparable size to the proposed South Perth, Victoria Park and Belmont union, has a significantly lower rate in the dollar for 2007/2008 of 6.45924 cents. By comparison the residential rate in the dollar for the City of Canning is 5.70 cents. However, the refuse rate for Melville and Canning is significantly higher, eliminating any initial municipal rate difference.

Whilst the likely rate in the dollar for the amalgamated city has not been estimated at this point, it is anticipated to be lower than the existing rates. This is primarily due to

the associated reduction in the number of elected members and staff, a rationalisation of assets, primarily plant, equipment and possibly facilities, required to operate the new organisation.

All of the three Local Governments are regarded as independently financially sustainable. In recent analysis conducted by the Department of Local Government, the City of South Perth and the City of Belmont were assessed as Category '1' (healthy Local Government) and the Town of Victoria Park a Category '2'. Further sustainability information is contained at section 4 of this submission.

History of the Area

Whilst a particular area's history can be a relevant consideration, the LGAB has stated that this factor alone is unlikely to be a sufficient reason for changing – or retaining – local government boundaries.

Research conducted into South Perth, Victoria Park and Belmont has not identified any particular historical issues that would either support or preclude the amalgamation of the municipalities (or part thereof). However, should the reform issue become a serious proposal for the affected Local Governments, it may be valuable to seek a view from local historians on evident ties between the communities. It would also be valuable to seek views from the local indigenous community as to whether South Perth, Victoria Park, Belmont (and even Canning) have any identifiable and significant linkages from an indigenous historical perspective. Whilst this may not be a significant consideration for the LGAB it may provide other opportunities to a merged municipality in terms of community development, tourism, and developing a greater 'sense of place' for the new city.

Transport and Communication

The principle relates to transport linkages between neighbouring suburbs and municipalities. Consideration of the following factors is important in any assessment of local government boundaries:

- Port access (not applicable in the proposed scenarios);
- Neighbouring towns (more of a country issue);
- Railways; and
- Major roads.

All three local governments are served by a well developed and maintained network of roads, both highways and local roads. All are easily accessible means of commuting to and from the Perth CBD, and enable easy access to South Perth, Victoria Park and Belmont from all other metropolitan areas. The continuation of Canning Highway into the Great Eastern Freeway is a single link which physically connects all three municipalities.

In addition to the road networks Victoria Park is well served by railways, while South Perth has limited railway coverage. Belmont has no railway system at present although an airport-link train is being considered. All three areas are well served by bus routes, and share a common interchange at the Victoria Park interchange on Albany Highway. This allows commuters an easy transition between municipalities.

Matters Affecting the Viability of Local Governments

The sustainability of a local government is contingent upon it having a sufficient resource base to efficiently and effectively exercise its proper functions and delegated powers, as well as provide services and operate facilities. It must be flexible and responsive in how it performs such tasks and it must retain appropriate professional expertise and skills across its workforce.

Each local government should have a diverse and sufficient rate base to ensure that general purpose grants do not represent the major revenue source. A local government needs to be able to raise sufficient funds from its own resources to administer its district and to carry out the basic local government functions and a range of other discretionary functions.

An indication of the financial and resource viability of each of the municipalities referenced in this paper can be provided through analysis of a number of financial ratios. The *Rates Coverage Ratio* is indicative of the extent to which the local government relies upon the generation of revenues from rates. Typically the lower the Rates Coverage Ratio, the less reliant the local government is on rates as a form of revenue and the more able it is to generate greater revenues through operations and grant funding.

In terms of operational efficiency, the *Outstanding Rates Ratio* is a useful indicator to illustrate the effectiveness of internal revenue collection processes. A higher ratio may indicate a less vigilant or less capable revenue collection process, or a local government that has adequate external revenue sources to cover any shortfall from rates collection. The key ratios for South Perth, Victoria Park and Belmont, are all lower in comparison with the ratios for the City of Canning and the City of Melville. The details are included in Table 2 appended to this paper.

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.

The issue of size and spread of population is less relevant for the purposes of this discussion paper, as South Perth, Victoria Park and Belmont have a similar population density typical of metropolitan local governments.

The remaining factors are common challenges faced by all local governments. The availability of professional and expert staff remains a challenge for local government across Western Australia and this directly impacts on the effectiveness of management and operational processes. Whilst the City of South Perth considers that it maintains a highly effective delivery of services to its residents, the service delivery and effectiveness of Victoria Park and Belmont are difficult to specifically determine from the available data.

3.2 2006 Report

In considering the range of options for amalgamation and boundary change, the City notes the two previous studies by separate external reference groups - the Local Government Managers Association (LGMA) and LGAB - which reached similar conclusions with respect to the municipalities of South Perth, Victoria Park and Belmont. The LGAB study in 2006 in relation to a WALGA SSS report on structural reform suggested that the Town of Victoria Park be divided between the Cities of South Perth and Belmont, whilst an LGMA study recommended in 2007 (*The Structure of Local Government in 2027*) that South Perth, Victoria Park and Belmont be merged to become the newly established City of Curtin.

Local Government Advisory Board Report

The Local Government Advisory Board in its report to the Minister in April 2006 made a recommendation at 1.15:

That the Minister submit a proposal to the Local Government Advisory Board for the division of the Town of Victoria Park between the Cities of South Perth and Belmont.

The Minister did not act on this recommendation.

4. SUSTAINABLE CITY OF SOUTH PERTH

Independent studies conducted by the Local Government Grants Commission, Access Economics (2006) and others have resulted in the City of South Perth being assessed as financially sustainable in the short, medium and long term. The Local Government Department, in its recent advice dated 21 July 2009 also expressed the same view when it allocated a category "1" to the City following lodgment of the Local Government "Checklist" in April 2009. Category "1" was described as :-

Category One: *evidence indicates that there is existing organisational and financial capacity to meet current and future community needs. Local governments should still consider reform opportunities which enhance service provision to local and regional communities.*

Following the earlier studies, the City has maintained its own ongoing assessment of its financial sustainability by regularly monitoring and reviewing its financial position,

performance, key financial ratios and the condition of its infrastructure assets in accordance with the principles used by the external assessors. This work is supplemented by the City's own rigorous strategic financial planning framework which ensures that all proposed works can be fully funded in a sustainable way - without an unreasonable dependence on either rates or government funding.

4.1 Local Government Checklist

Local Governments were requested to submit checklists as part of the reform process to the Department of Local Government. Each Local Government was subsequently given a 'score' by the end of July 2009, with Category 1 indicating a relatively healthy local government, '2' that reform including mergers and/or boundary change be considered, and '3' that the local government seems to have issues.

The methodology for the categorisation was not published, and local governments were asked not to share the categorisation. It is difficult to see how potential mergers could be considered without knowing what this feedback might be and how it was developed. In any event, most local governments seem quite open about the process and both Belmont and South Perth scored a '1', with Victoria Park a '2'.

The category 1 assigned to the City of South Perth is confirmation that the City is sustainable in its own right and does not need to be amalgamated to become or remain sustainable.

4.2 Access Economics

Following increasing concerns over the financial sustainability of Local Government, WALGA commissioned Access Economics to conduct a study into the financial sustainability of Western Australian local governments as part of its Systemic Sustainability Study review. This state-wide analysis is similar to that which has recently been undertaken in several other states in response to increasing concerns about the lack of appropriate forward financial planning in local government - and a number of demonstrated financial failings in local governments in WA and interstate.

The WALGA commissioned report, prepared by Access Economics, revealed a number of findings including:

- Half of Western Australia's existing 144 local governments are not financially sustainable.
- Local governments are being crippled by skills shortages in areas such as town planning, financial services and engineering.
- Many local governments face large backlogs of remedial work on their ageing infrastructure.
- Most local government finances are in this parlous despite 2006/2007 rates increases that are well above the 4.2% CPI (South Perth was only 3.6%).

The City of South Perth was one of those local governments that was well regarded in the study for its achievements in relation to its financial sustainability - and was classified as being sustainable in the long term. The City has placed considerable

importance on strategic financial planning, responsible and sustainable funding methodologies and sophisticated and accountable financial reporting models - all of which contribute to the task of putting the City on a solid financial footing.

4.3 CRL Highbury Consulting

Analysis conducted by RJ Back & Associates contained in the CRL Highbury Consulting report also confirms that the City of South Perth is in a sound financial position:

PRIVATE and CONFIDENTIAL										City of South Perth	
OVERVIEW	Legend									Tuesday, 7 July 2009	
	30 June	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Quartile Ranking to State	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	
Net operating result ratio(excluding)	3.5%	1.0%	1.8%	3.8%	4.3%	0.7%	4.9%	18.6%			
<i>Operating result (exc capital contributions, extra ordinary items and revaluation adjustments) as a percentage of Local Government Revenue</i>											
Funding ratio	36.4%	29.0%	30.0%	33.8%	34.2%	31.7%	38.7%	60.2%			
<i>Level of general rates and WALGGC untied grants available after meeting the funding needs of net recurrent operations.</i>											
General Property - WDV to Cost	82.9%	81.9%	81.1%	91.9%	74.1%	74.2%	73.5%	72.4%			
<i>Written down value of all property, plant and equipment against the cost of the asset.</i>											
All Infrastructure - WDV to Cost	51.4%	62.5%	60.9%	59.4%	62.3%	60.5%	63.1%	62.4%			
<i>Written down value of all infrastructure against the cost of the asset.</i>											
Growth in equity	na	0.6%	0.7%	1.1%	1.6%	1.0%	1.7%	5.3%			
<i>The increase in the communities resources/assets net of liabilities) as measured by changes in the accumulated funds (excluding changes from revaluations/gifted assets).</i>											
Sustainability ratio	193.1%	148.1%	123.0%	132.4%	157.9%	98.9%	162.4%	100.0%			
<i>Capital expenditure divided by total depreciation expense.</i>											
Debt Service/LG Revenues	1.3%	0.2%	0.2%	0.3%	1.0%	1.5%	1.6%	1.5%			
<i>Amount of local government revenues(LG Revenues) applied to debenture interest and principal.</i>											
Debt/LG Revenues	0.6%	0.5%	0.4%	0.4%	7.1%	10.3%	8.8%	7.2%			
<i>Total loan debentures outstanding as a percentage of local government revenue(LG Revenue).</i>											
Reserves/LG Revenues	37.6%	43.7%	38.2%	46.4%	50.9%	54.8%	56.8%	70.0%			
<i>Measures the savings capacity through accumulated cash reserves compared to local government revenue</i>											

The City has increased its 'own source' revenue including rates in recent years to match the growth in inflation and is putting money into infrastructure renewal. Reserves have climbed steadily over the past 5 years, and the City has a good growth in equity/community resources of 5.3% for the year ending 30 June 2008.

The condition of fixed infrastructure and infrastructure assets is, apart from some community buildings generally regarded as being in a sound and acceptable condition. There are no major issues apparent.

Like the other two Local Governments participating in the reform process with the City of South Perth, the condition of major buildings has been flagged as being of concern, and rising community expectations for higher standards of maintenance, functionality and appearance driving rising repair and renovation costs.

The City has recently refurbished its Administration Centre and Civic Facilities and is now in the process of upgrading the City's principle Library and Civic Hall at a cost in excess of \$11 million. Other major buildings such as sports pavilions have either recently been upgraded or are in the process of being upgraded.

The City controls a significant property portfolio, but the vast majority of which is vested land and is used for community purposes and would be difficult, if not impossible, to realise by sale. There are though, a number of freehold properties including car parks built at grade which may have some development potential as long as the number of public parking bays are maintained.

The City Works Depot and Waste Transfer Station are situated on Crown Reserves next to the Collier Park Golf Course.

Other than the following comments in relation to Swan River walls and the Collier Park Village Retirement Complex, there are no major or unusual liabilities facing South Perth.

The City has a shared responsibility with the State Government (through the Swan River Trust) to ensure that river walls are provided and maintained to an appropriate standard. The City has a shared responsibility with the State Government (through the Swan River Trust) to ensure that river walls are provided and maintained to an appropriate standard. The City has some 19 km of river foreshore with approximately 5.5 km of river wall under its care and control. The current cost of upgrading river walls to a contemporary standard is in the order of \$6 000 per lineal metre.

The City operates the Collier Park Retirement Village, which has a 40 bed hostel and 169 independent living units of residential accommodation. The City collects a sum from incoming residents, which (subject to conditions, management fees, etc) is refunded to a resident or their estate when leaving.

The liability to refund accommodation bonds to departing residents of the Aged Care Hostel is fully cash backed and there is a substantial amount of cash held in a Reserve Fund by South Perth for the purpose.

In relation to the Retirement Village the liability to refund accommodation bonds increases over time as the value of the accommodation increases. At the present time the City maintains approximately 40% of the total liability of the refundable accommodation bonds in cash reserves. The level of Reserve Funds held does not present a major concern unless all residents vacated the village in a very short space of time (which is considered unlikely).

Future redevelopment of the 40 bed hostel component and some of the older independent living units will require innovative financial solutions to accomplish.

There are no known major contentious issues confronting South Perth that warrant special disclose.

4.4 Fiscal Star

Fiscal Star in a recent review of Local Government published accounts also awarded South Perth a 4 ½ star rating (out of 5) but also noted that:

'The council's rates, fees & charges, going forward, are clearly sustainable at their present levels (whether or not additional funding is received from the other levels of government.....

Having regard for the results of the studies referred to above, there can be little doubt that the City of South Perth as it is currently structured is a financially sustainable Local Government and can remain sustainable without being restructured.

5. REFORM AGENDA

The primary aim of the review conducted by CRL Highbury Consulting was to:

1. Undertake a high level examination of a potential amalgamation of the City of South Perth, the Town of Victoria Park and the City of Belmont, and
2. Assuming an amalgamation were to proceed, the potential to adjust existing boundaries with adjoining local governments along more logical lines than what is presently the case.

A secondary component of the study was to undertake a detailed review of a possible amalgamation of the City of South Perth and Town of Victoria Park. Unfortunately, it was not possible to undertake this review in the limited time available.

The Cities and Town did not necessarily enter into this review with amalgamation in mind. The study was simply to examine what a potential local government made up of these three entities could look like, identify any areas that may need detailed examination, and look at any adjustments to existing boundaries with adjoining local governments that may make them more logical, from the perspective of the three (or two) local governments combined.

The study was limited by time constraints, which means a certain reliance on readily available information and the need to make assumptions about costs and benefits.

Demographic Trends

The general profiles of the three local governments comprising this study based on the 2006 national census is attached at Table 1.

A table showing key statistics for the City of South Perth, City of Belmont and the Town of Victoria Park, as well as combined and compared with those of the City of Canning and City of Melville is attached at Table 2.

Internally, there are some differences between the 3 local governments (South Perth in particular) in terms of population density, post school qualifications, average taxable income pa, and unemployment rates. In this regard, there is little difference between Belmont and Victoria Park. Other statistics indicate little variance between any of the three local governments.

There appears to be no major change in this profile over the past 5 years either. There is little to suggest that major differences will develop in the near future, even though both Belmont and Victoria Park are encouraging redevelopment of their areas to higher densities in some residential areas. If anything, this growth would make them more homogenous with South Perth in the short term.

The City of Belmont is currently experiencing redevelopment of residential areas along the river at Ascot and urban renewal in previously existing industrial areas. The Town of Victoria Park is experiencing high density residential development in the Causeway and Burswood precincts.

In the medium to long term however, the situation is likely to change as redevelopment within the Town of Victoria Park at the Bentley Technology Precinct and Curtin University land occurs. The Science, Innovation and Business Division of the Department of Commerce is managing the expansion of Bentley Technology Precinct and together with a planned expansion of Curtin University, will see increased high density residential development and related commercial development over the next 30 years.

In all local governments, average taxable incomes have risen over the past 4 years. Populations have remained relatively stable.

Other than development of the area within the Perth International Airport boundaries, all the land within the three local governments is developed. While some changes in population could occur with increased densities, little major increase or decrease within any of the three could be reasonably expected in the medium to long term. Any changes should be relatively easily managed.

On one hand there is a view that local governments should be comprised of populations with similar profiles, as this allows for services to be better targeted. On the other, an opposing view is that a local government should comprise a variety of profiles, as a district that is comprised entirely of low socio-economic households may struggle to raise enough income to fund ongoing operations, and those households would be paying a larger proportion of their income in taxes to a local authority in comparison to others.

It is a subjective decision as to whether or not the differences between the three local governments comprising this study are significantly different enough to require them to be run as separate local authorities, but it does not seem that the differences that do exist (based on the broad population figures above) are significant when compared to Melville and Canning.

For example, 3.6% of the City of Belmont is comprised of persons of indigenous descent, as compared to 1.0% for South Perth and 1.7% for Victoria Park. In population numbers though this means a population of 1147 persons in Belmont, 410 in South Perth and 501 in Victoria Park. In the scheme of both their individual populations and combined mass, while it may be appropriate to develop some programs to address issues faced by this sector of the community, this difference does not appear to be significant enough (on its own anyway) to warrant three separate local governments.

There are no major physical or topographical features separating the three local governments.

5.1 Elected Members

The Minister has requested that local governments consider reducing the number of elected members to between 6 and 9. It is not entirely clear how this range has been selected, but appears to be based on the view that a smaller body of elected members may be able to make decisions more expeditiously.

A common concern for elected members when faced with a merger relates to a loss of representation or local identity, with stronger representation resulting from a higher ratio of elected members to population.

Using the 2006 Estimated Residential Population data, the ratio of elected members per head of population for local governments in the Perth Metropolitan area is 1:4377.

The ratio of elected members, how they compare to Melville and Canning, plus the effects if reduced in number to between 6 and 9 is shown at Table 3.

From this, it is noted that for the three combined Local Governments, there are 33 elected members representing roughly the same population as 13 elected members in Melville and 11 in Canning. This results in a current ratio of less than half the number of elected members per head of population in the combined local governments (ie 1:3098 compared with Melville 1:7642 and Canning 1:7978).

The Minister has stated that he requires each local government to reduce its elected member representation to between six and nine. If the three Local Governments were to be amalgamated, this would result in the loss of between 24 and 27 elected member positions which is not considered to be in the best interests of the resident population.

Within the greater metropolitan Perth area, there are 29 local governments ranging from 7 Elected members to 15. An analysis of the numbers of elected members representing their local governments is as follows:

7 Elected members – 2
8 Elected members – 1
9 Elected members – 7
10 Elected members – 3
11 Elected members – 4
12 Elected members – 1
13 Elected members – 7
14 Elected Members – 3
15 Elected Members – 1

11 of the 29 local governments have 13 or more Elected Members. In terms of size South Perth has the same total elected member representation as Nedlands and Subiaco at 13 members. All other local governments which have 13 members are significantly larger than these three Cities.

At the present time, the City of South Perth has 6 wards which have 2 elected members each, with one elected member retiring every two years. The Mayor is elected by the electors. Whilst there are many options available, the most obvious change to this system of representation to comply with the Ministers requirements is for one of the following to occur for a maximum of nine elected members:

- 4 Wards with 2 elected members or
- 2 Wards with 4 elected members or
- No wards

Under this system, the Mayor would still be elected by the electors.

The City's preference is for the number of elected members to be reduced to nine, made up of eight councillors utilising a ward system and the Mayor, elected at large. This would increase the ratio of elected members to population from 1:3231 to 1:4667, an increase of 44.5%.

5.2 Regional Groupings of Councils for Service Delivery

The City of South Perth is actively involved in combining with the Town of Victoria Park to provide services to both communities. Both Local Governments meet on a regular basis to discuss resource sharing opportunities and potential new initiatives.

The following represents those areas that the City of South Perth, City of Belmont and the Town of Victoria Park currently share resources:

Shared Services currently being conducted

- South Perth and Victoria Park will be conducting a shared family joint summer park festival in 2010.
- South Perth and Victoria Park share recreation sports club officer
- Belmont and Victoria Park share Orrong road median maintenance - although some conjecture whether MRWA now performs this work
- Belmont and Victoria Park share an SES joint function role (South Perth is involved with Canning in SES role)
- Belmont and Victoria Park have a joint arrangement for the City of Belmont sub branch of the RSL

Shared Services currently being considered

- South Perth and Victoria Park re Public Open Space between George St/Anketell Rd and Kent St involving Kensington PCYC and discussions regarding possible bowling club relocation.

Resource Sharing activities currently being conducted

Town of Victoria Park provide to others

- Engineering Design to Canning and Belmont.
- Street sweeping to South Perth.

City of South Perth provide to Town of Victoria Park

- Joint tender provision (about to commence)
- Civil construction
- Use of dog pound
- Nursery plant stock

City of Belmont provide to Town of Victoria Park

- Engineering Design
- Surveying
- Balbuk Way toilet and foreshore management
- Dry and Wet hire of heavy vehicles for Civil Works or material removal

Other Resource Sharing activities currently being considered

Town of Victoria Park provide to others

- Engineering Design to Town of Bassendean

City of South Perth provide to Town of Victoria Park

- Previously bushcare (not provided at present)
- Looking at broad acre mowing on McCallum/ Taylor Reserves
- Tree pruning and mulching for residents
- Joint tender opportunities - design / survey work
- Share TravelSmart officer
- Traffic Engineering Support
- Plant and equipment sharing possibilities
- Reviewing street sweeping arrangement

Town of Victoria Park provide to City of South Perth

- Asset management

City of South Perth also provides knowledge sharing in relation to operation of the Town of Vic Park's core financial system

Eastern Metropolitan Regional Council

Most major metropolitan Local Governments use the safety and risk management services offered by the Regional Council.

In addition, the following is a summary of the City's involvement in Regional resource sharing initiatives:

- The City of South Perth is a full participating member of the Rivers Regional Council where membership includes the Cities of Armadale, Gosnells and Mandurah and the Shires of Murray, Serpentine/Jarrahdale and the Shire Waroona.
- The City is a member of numerous regional groupings including the Rivers Regional Council whose membership is identified above. It is clear that the City would have little in common with other members of the region. Unusually, the City does not have any common boundaries with other members of the Regional Council. In addition, the City is a member of the South Eastern Metropolitan Zone of WALGA incorporating the Cities of Armadale, Canning, Gosnells, Serpentine/ Jarrahdale and Town of Victoria Park.
- In addition, the City is a member of the Perth Airports Municipalities Group incorporating: Cities of Bayswater, Belmont, Cockburn, Gosnells, Melville, Swan the Shires of Kalamunda and Mundaring and the Town of Bassendean.
- The City is also a member of the South East District Planning Committee incorporating: Cities of Armadale, Canning, Gosnells, Serpentine/ Jarrahdale and Town of Victoria Park.

- As well, the City has numerous resource sharing activities in place and planned involving the Town of Victoria Park and others.
- The City is in the process of conducting a joint study at Canning Bridge with the WA Planning Commission, Department of Infrastructure and the City of Melville and the City is also involved with Department of Commerce, and the Town of Victoria Park in connection with the proposed redevelopment of the Bentley Technology Precinct. The City is also involved in discussions with the Town of Victoria Park and Curtin University regarding a proposal to significantly increase facilities including residential, retail and commercial development at the University.

In terms of membership of Regional Councils, the Local Governments participating in this reform study and other negotiations all belong to different Regional Councils and as a result is likely to present some barrier to reform (although not insurmountable).

The Local Governments are members of the following Regional Councils:

- | | | |
|-------------------------|---|--|
| • City of Canning | - | South Metropolitan Regional Council |
| • City of Belmont | - | Eastern Metropolitan Regional Council |
| • City of South Perth | - | Rivers Regional Council |
| • Town of Victoria Park | - | Mindarie and Tamala Park Regional Councils |

Other than the Rivers Regional Council, each of the other Regional Councils has made significant financial investments in their operations and each member council would be entitled to an equitable share of the net assets. Because of this issue, complications will therefore inevitably arise if there is any amalgamation proposal mandated by the State on these Local Governments.

The City of South Perth, along with other Local Governments within the region continuously looks for resource sharing opportunities to enhance service delivery.

5.3 Amalgamation

Whilst there are potentially numerous options for the City to consider, the most realistic and practical involve the Town of Victoria Park (or parts thereof) and the City of Belmont (or parts thereof). A further argument could be made with regard to areas currently under the administration by the City of Canning if a merger of the three Local Governments occurred.

It is acknowledged that there exists some natural commonalities and synergies between South Perth, Victoria Park and Belmont which support the variety of amalgamation options. In short, the three Local Governments are medium sized, metropolitan councils, all share the Swan River as a major civic boundary, are close to the Perth CBD with excellent access to the CBD and major transport infrastructure. Furthermore population demographics and the mix of commercial/domestic land use make the potential amalgamation of these cities (or parts thereof) worthy of consideration.

The primary considerations for amalgamation appear to be:

- A merger with the Town of Victoria Park,
- A merger with the Town of Victoria Park and City of Belmont

City of South Perth/Town of Victoria Park (Map 2)

A combined Local Government entity would have a population of approximately 70 000 people and be 37.5 km². There are currently 22 elected members appointed, therefore a minimum of 13 positions would need to be abolished. Total rate revenue amounted to approximately \$38.8 m as at June 2008, with combined staff numbers of 335.

Option

It is considered that the establishment costs of combining the Local Governments would be high and would involve a significant pay back period. Inevitable costs associated with an amalgamation with the Town of Victoria Park would include (amongst other things):

- Need to centralise Administrative functions resulting in new or significantly enhanced administration centre;
- Depot expansion/rationalisation;
- Major enhancements to information technology systems;
- Combining EBA and related human resource policies and practices;
- Combining Town Planning Scheme and related policies and practices.

There would obviously be some cost savings as a result of a merger. These would typically include savings in administration - principally costs associated with senior officers, consisting of CEO, directors and managers where staff numbers could be reduced. Costs would also be saved in the governance area as the number of elected members would be substantially reduced, although it is recognised that members' allowances are far too low and need immediate review. Additional training and resourcing may also be necessary if the ratio of elected members to population increases significantly.

Opportunities exist to rationalise freehold land and other assets such as vehicles, resulting in a revenue injection which could be used to finance initial start up costs.

It has not been possible, in the time available, to undertake a thorough analysis of the financial implications of such a proposal. A superficial review of some of the financial implications of a merger has demonstrated the need to conduct a comprehensive review and analysis of all relevant factors. Time has not enabled the

combined Local Governments to achieve this, but it would be necessary if such a proposal was promoted.

It is also worth highlighting that the Town of Victoria Park was only formed 15 years ago in 1994 following the split from the City of Perth. It is evident that the Town has progressed in many ways since this time and would be reluctant to now 'lose' its identity once more. For this reason the Council resolved in March 2009 in relation to the Local Government reform proposal:

A. *The Local Government Reform Steering Committee and WALGA be advised:*

1. *That the Town is opposed to any amalgamation, or division, of the Town with neighbouring Council(s) and any reduction in the number of elected members, and*
2. *The Town therefore has no desire or intention to amalgamate with adjoining Council(s) other than to seek, by mutual consent, some minor adjustments to existing boundaries to make them more logical.*

Having regard for the above position clearly articulated by the Town of Victoria Park, the City of South Perth respects this position and does not want to pursue an amalgamation option contrary to the desire of that Council.

If however, the Minister forces an amalgamation of the City of South Perth with the Town of Victoria Park, the City does recognise the potential benefits of such a merger and would participate fully in any further research, study or investigation to meet the Minister's requirements.

City of South Perth/City of Belmont/Town of Victoria Park (Map 3)

A combined Local Government entity would have a population of approximately 102 000 people and be 77.5 km². There are currently 33 elected members appointed, therefore a minimum of 24 positions would need to be abolished. This would seem difficult to justify - particularly in the short term. If this option is to be pursued, it would seem appropriate that some form of phasing in from say initially 15 elected members to nine occur over a period of eight years. Total rate revenue would amount to approximately \$62.7 m [as at June 2008] with combined staff numbers of 546.

Similar issues arise in relation to amalgamation of the three Local Governments as are detailed above in relation to the option to amalgamate the City of South Perth and the Town of Victoria Park. The Local Governments involved would require more time to develop a position if such a proposal was mandated by the State.

5.4 Boundary Changes

The City of South Perth is surrounded by the Swan and Canning Rivers on three sides.

Its boundary with the Town of Victoria Park is well established and longstanding. As is the case with most local government boundaries in residential areas, there is little or no community driven demand for changes, but it is readily apparent that this would not be chosen as a boundary using current criteria, and it is less than ideal.

The boundary runs south from the Swan River at Ellam Street along the rear of properties on the west side of Berwick Street to George Street. The boundary is irregular in this area, but is not creating any particular difficulty to either Local Government. The boundary then follows Kent Street to Manning Road.

Publicly controlled land within the area bounded by George Street, Anketell Street, Rathay Street, Berwick Street, Kent Street and Baron Hay Court is located within the town of Victoria Park, but is within the suburb of Kensington. Facilities located within this area include the Kensington Secondary School, Harold Rossiter Park and Kent Street Senior High School. Logically, the land should be within the City of South Perth so that the whole of Kensington is within the City and not split. The physical boundary would also make more sense if this occurred consistent with the principles of the LGAB..

It is acknowledged that the boundary also dissects the Bentley Technology Park (land to the north and west of the boundary lies within the City of South Perth, whilst land to the south and east lies within the Town of Victoria Park). Both Local Governments have a history of working together with the Department of Commerce (the State Government responsible for the Bentley Technology Park) and Curtin University which is wholly located within the Town of Victoria Park, but which has common boundary at Kent Street and Manning Road.

As a consequence, no boundary changes are envisaged with the Town of Victoria Park.

The City's boundary with the City of Canning is only relatively small over a distance of 950 metres (most of which is parkland at Centennial Park). It is acknowledged that an odd shaped parcel of land consisting of 53 lots known as the 'Waterford Triangle' (bounded by Conlon Street, McKay Street and Manning Road) is not ideal, but again appears to present no problem to either Local Government or residents involved.

Again, for these reasons, and given the nature of the area is so small, the City sees no reason to change existing boundaries with the City of Canning.

6.0 CONSULTATION

6.1 Reform Package

Part of the Minister's requirements was that each Local Government engage its community on this important issue. The City did this by inviting comments on the Local Government Reform Process.

A draft discussion paper was prepared for this purpose in May 2009 and feedback was sought from elected members prior to it being made available to the community for comment. Submissions closed on 22 June 2009.

Notice of the availability of the discussion paper appeared in the City Update column of the 26 May 2009 *Southern Gazette*. The discussion paper was made available on the City's website and copies of the discussion paper were made available for collection at the front counter and libraries. In addition a copy of the discussion paper was made available to each participant at the conclusion of the Visioning Conference, which was held at the Como Secondary College on 23 May 2009. As well a copy of the discussion paper has also been made available to the Town of Victoria Park and City of Belmont for information.

In addition, the Winter 2009 edition of the *Peninsula* which was delivered to every property within the City, contained an article about Local Government Reform and provided details of how residents could access the discussion paper and provide feedback.

Six submissions were received from members of the community. One submission was in favour of Local Government Reform and five submissions were not in favour. A summary of the submissions is as follows:

Not in Favour (5)	In Favour (1)
Amalgamation will distance us from decisions that affect our local way of life. Requests public meeting be held before making final decision.	Suggests no wards and councillors be elected by proportional representation. In favour of amalgamation - sees financial benefits that come with size.
Local Government Reform proposal has long term consequences and should be better understood by the community. Concern about costs associated with restructuring/amalgamations as well as reduced elected member representation. Suggests public forum be held.	
City of South Perth to remain unchanged - retaining current boundaries and authority.	
Has no community interest with Victoria Park or Belmont.	
Not Supported	

Given the limited response to this very significant issue, and having regard for the widespread distribution of the Discussion Paper, it can only be assumed that there is little interest in the community on this topic whether for or against reform. As there are 43 000 residents of the City and there were only six responses this is very disappointing. Two of the community members suggested that a public meeting be held before making a final decision on this matter, but given the very limited response to the invitation to respond to the Discussion Paper, this was not considered to be justified.

A draft copy of this final submission was also made available to the community for public comment prior to consideration and adoption. The City took advantage of the extension of the deadline for submissions to be lodged and sought additional community comment.

6.2 Visioning

The City regards the importance of consulting with its community very highly. To demonstrate the importance of the comprehensive consultation processes that the City has in place, reference is made to the recently concluded City of South Perth *Our Vision Ahead* process.

At the concluding event at which the public participated in this visioning exercise, a community conference was held at the Como High School. The Local Government Reform issue was specifically raised at the 'Summit' and the discussion paper referred to above was referred to.

Up to 1400 participants were involved in the process via public workshops, focus groups, online surveys, surveys at City of South Perth events, the a community conference and as part of a *Visioning Round Table*, with encouraging results.

The project began in May 2008 when Council endorsed the concept of a community visioning project, *Our Vision Ahead*, with the aim of creating a long term aspiration-based plan that could guide the future direction of the City of South Perth and its community.

The project arose in response to the changing nature of local government and our external environment, and the need to better understand the values and hopes of residents in order to create a great place for people to live, work and visit.

The *Our Vision Ahead* document was created after months of consultation with our community and it reflects what can be achieved when Council and community work together.

Our Vision Ahead has been a significant undertaking and an ambitious community consultation project for the City. The vision and subsequent ideas that have emerged will provide concrete and widespread future benefits to our residents, visitors, and business and all other community stakeholders.

This document will have long term strategic implications for the City's continued operational excellence and the delivery of tailored services to the municipality. It will be used as a reference in the development of a new Strategic Plan 2010-15 as well as numerous other key documents within Council.

Our Vision Ahead is a City of South Perth initiative designed to explore and articulate the aspirations of our local community. The aim of *Our Vision Ahead* was to create a shared vision for the future that both Council and community could work towards together.

From September 2008 through to May 2009 we asked four simple questions:

1. What do you value most about your community and place?
2. What do you think are the key issues we will face in the future?
3. What is your vision for the future?
4. What can be done at a local level to achieve your vision?

Approximately 50 community groups were involved in the process which resulted in 900 written submissions.

The consultation process included a public forum with internationally acclaimed long range planner Stephen Ames when over 100 members of the community participated in the initial Visioning address. This was followed by a community stakeholder workshop, Visioning roundtable, youth summit, preparation of a DIY kit, creation of a dedicated website www.visionahead.com.au, features in the local newspaper the *Southern Gazette* and articles in the City's publication *The Peninsula* and *Fiesta 09* brochure, public surveys, focus groups, and speaker series. The consultation exercise was concluded with an *Our Vision Ahead* conference.

The *Our Vision Ahead* document was adopted by council at its August 2009 meeting for the purpose of advertising for community comment.

Table 1

ABS Statistics ex 2006 Census

ABS Statistics ex 2006 Census	Belmont	South Perth	Victoria Park	Combined or Average	Melville	Canning
Population Males	16,004	20,312	14,683	50,999	47,855	40,675
Population Female	15,870	20,674	14,812	51,356	51,296	40,785
Persons	31,874	40,986	29,495	102,355	99,151	81,460
Age - 0 to 14	16.4%	13.8%	12.7%	14.3%	17.0%	17.6%
15 - 24	13.6%	18.8%	16.9%	16.6%	16.0%	18.9%
25 - 34	16.9%	15.9%	20.4%	17.5%	10.7%	13.5%
35 - 44	14.6%	13.3%	14.4%	14.0%	13.6%	13.8%
45 - 54	12.7%	14.0%	11.9%	13.0%	15.9%	14.7%
55 - 64	10.6%	11.1%	8.5%	10.2%	11.8%	10.6%
65 - 74	7.8%	5.6%	5.5%	6.3%	7.1%	5.9%
75 - 84	5.6%	5.0%	6.4%	5.6%	5.8%	3.8%
85 and over	1.7%	2.5%	3.2%	2.5%	2.0%	1.2%
Population density (km2)*	1,448.8	2,067.3	1,643.7	1,720.3	1,869.5	1,256.8
Indigenous population	3.6%	1.0%	1.7%	2.0%	0.6%	1.2%
Born overseas	32.4%	35.0%	38.4%	35.2%	33.6%	41.0%
English as a second language	16.3%	18.5%	21.3%	18.6%	16.3%	23.7%
Post school qualification	50.4%	62.9%	59.7%	58.1%	59.2%	54.6%
No of households	12,445	15,456	11,874	39,775	34,482	27,998
Unemployment rate	6.7%	2.8%	5.5%	4.8%	2.0%	3.5%
Average taxable income pa	\$ 40,428	\$ 54,665	\$ 40,408	\$ 46,123	\$ 51,866	\$ 42,095

*Belmont with airport

801.2

1,320.7

Table 2

Key statistics for the City of South Perth, City of Belmont and the Town of Victoria Park as well as combined and compared with those of the City of Canning and City of Melville

Base data and information about Local Governments

Figures from 2007/8 Annual Reports or published by local governments

					Comparisons	
	Belmont	South Perth	Victoria Park	Combined or Average	Melville	Canning
Population	32,974	42,000	27,292	102,266	99,351	87,754
Area (Km2)	40	19.9	17.6	77.5	52.7	65.4
Roads (km)	226.6	198.1	176.2	600.9	1200	545
Employees (FTE)	211	192.1	143	546.1	492	
Elected members	11	13	9	33	13	11
Electors	17,015	23,522	18,105	58,642	66,788	49,325
Ratio of FTE's per 1000 population	6.4	4.6	5.2	5.3	6.5	
Ha of Parks and reserves	309	614.2	104.6	1027.8	900	
Total rateable properties	15,109	19,341	14,933	49,383	40,385	27,178
Total GRVs	\$322,379,602	\$337,157,205	\$206,354,599	\$865,891,406	\$526,555,124	\$531,573,339
General Rate in \$ levied 2007/08 on residential properties	8.45	7.4	8.86	8.23	5.599	5.7
Average GRV	\$21,337	\$17,432	\$13,819	\$17,534	\$13,038	\$19,559
Average Rates Paid	\$1,476	\$1,046	\$1,324	\$1,273	\$730	\$1,115
Rubbish charge per residential property		\$190		\$190	\$265	\$246
Total average rates, rubbish and annual charges per property	\$1,476	\$1,236	\$1,324	\$1,336	\$1,033	\$1,361
Rate in \$ levied						
Residential	10.451	17.060	11.252			
Commercial	6.142	2.201	6.093			
Industrial	4.923	-	1.290			
Other	2.620	0.407	0.263			
Total	24.136	19.668	18.900	\$62.704	38.763	32.946
Minimum residential rate	\$615	\$620	\$613	\$616	\$500	\$422
Outstanding Rates Ratio	3.00	1.30	0.00	1.43	5.82%	4.00%

Base data and information about Local Governments
 Figures from 2007/8 Annual Reports or published by local governments

	Comparisons					
	Belmont	South Perth	Victoria Park	Combined or Average	Melville	Canning
Borrowings (excl bank overdrafts)	\$2,440,166	\$5,390,000	\$10,954,634	\$18,784,800	\$4,832,488	\$378,183
Debt per rateable property	\$162	\$279	\$734	\$380	\$120	\$14
Cash backed Reserves	\$9,928,570	\$25,116,949	\$5,232,222	\$40,277,741	\$33,189,144	\$28,813,924
Cash backed Reserves per rateable property	\$657	\$1,299	\$350	\$816	\$822	\$1,060
Libraries	1	2	1	4	5	4
Major Pools	1		1	2	1	2
Golf Courses		1		1	2	1

Table 3**Ratio of Elected Members**

	Belmont	South Perth	Victoria Park	Combined or Average	Melville	Canning
Population	32 974	42,000	27,292	102 266	99,351	87,754
Elected members	11	13	9	33	13	11
Electors	17,015	23,522	18,105	58,642	66,788	49,325
Current Ratio Elected Members per Popn	2 998	3,231	3,032	3 098	7,642	7,978
Method of Election of Mayor	From Council	Direct	Direct		Direct	Direct
If reduced to 6	5 495	7,000	4,549	17 044	16,559	14,626
If reduced to 7	4 710	6,000	3,899	14 609	14,193	12,536
If reduced to 8	4 121	5,250	3,412	12 783	12,419	10,969
If reduced to 9	3 664	4,667	3,032	11 363	11,039	9,750

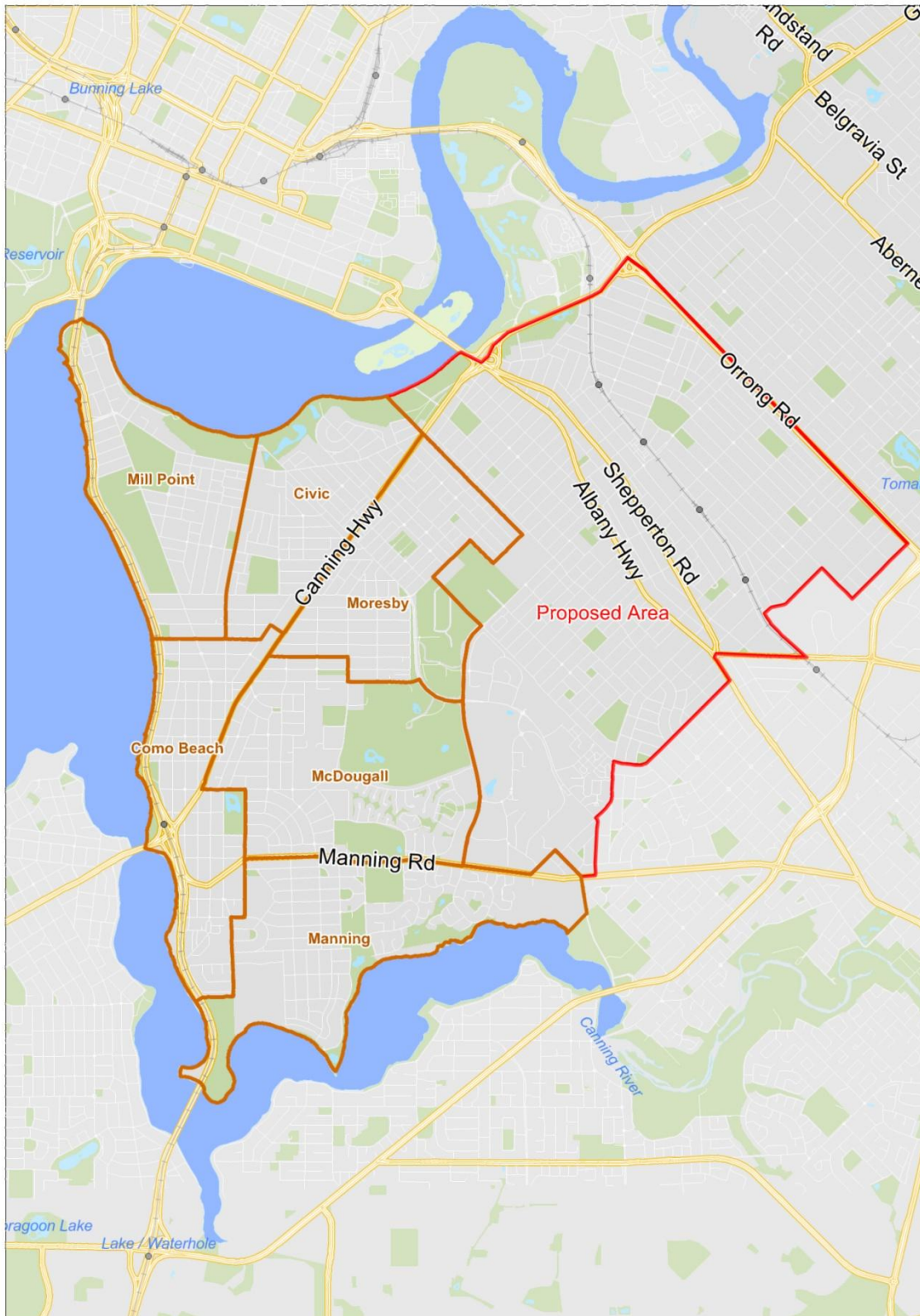
Map 1

City of South Perth - Existing Boundary

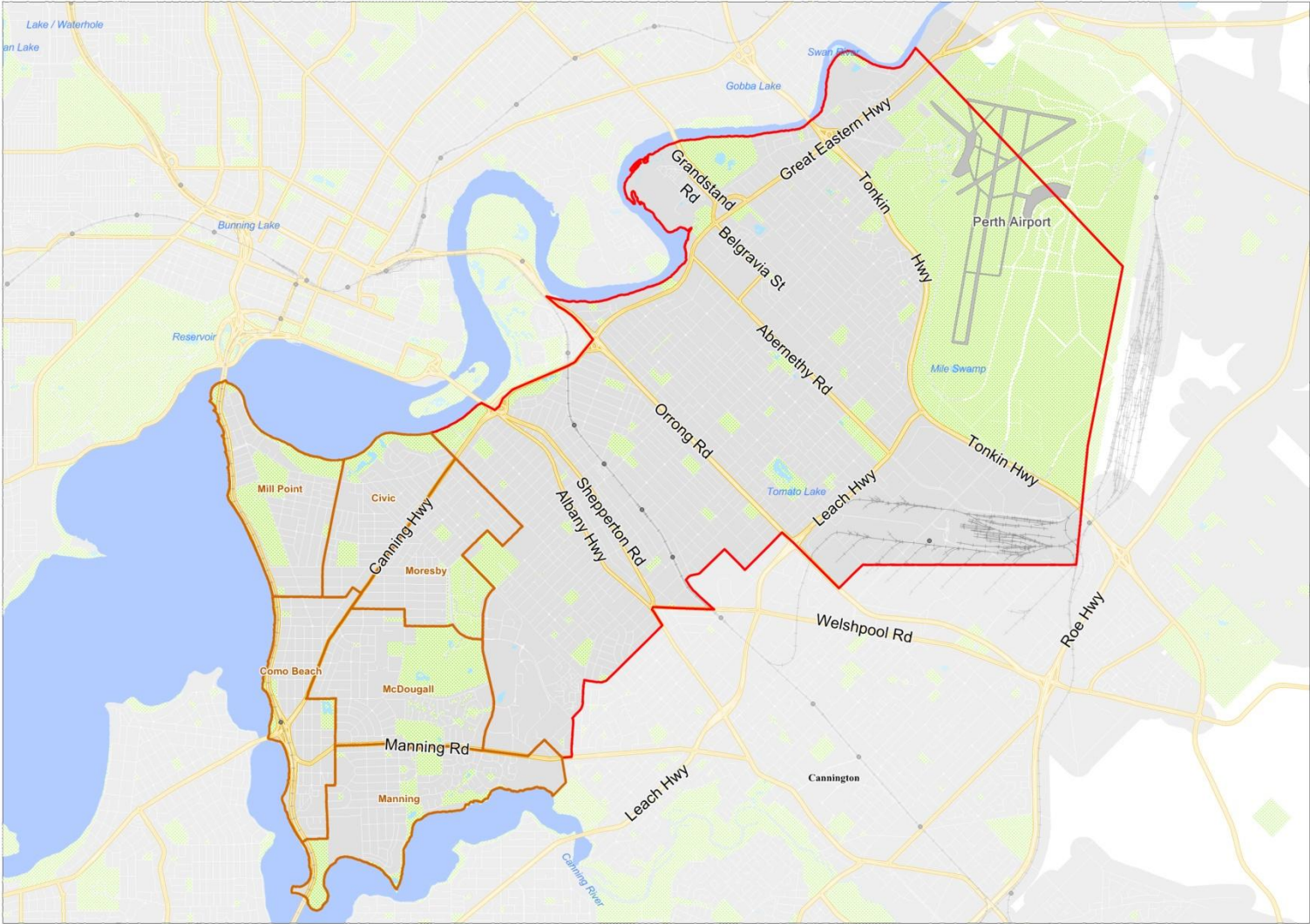


Map 2

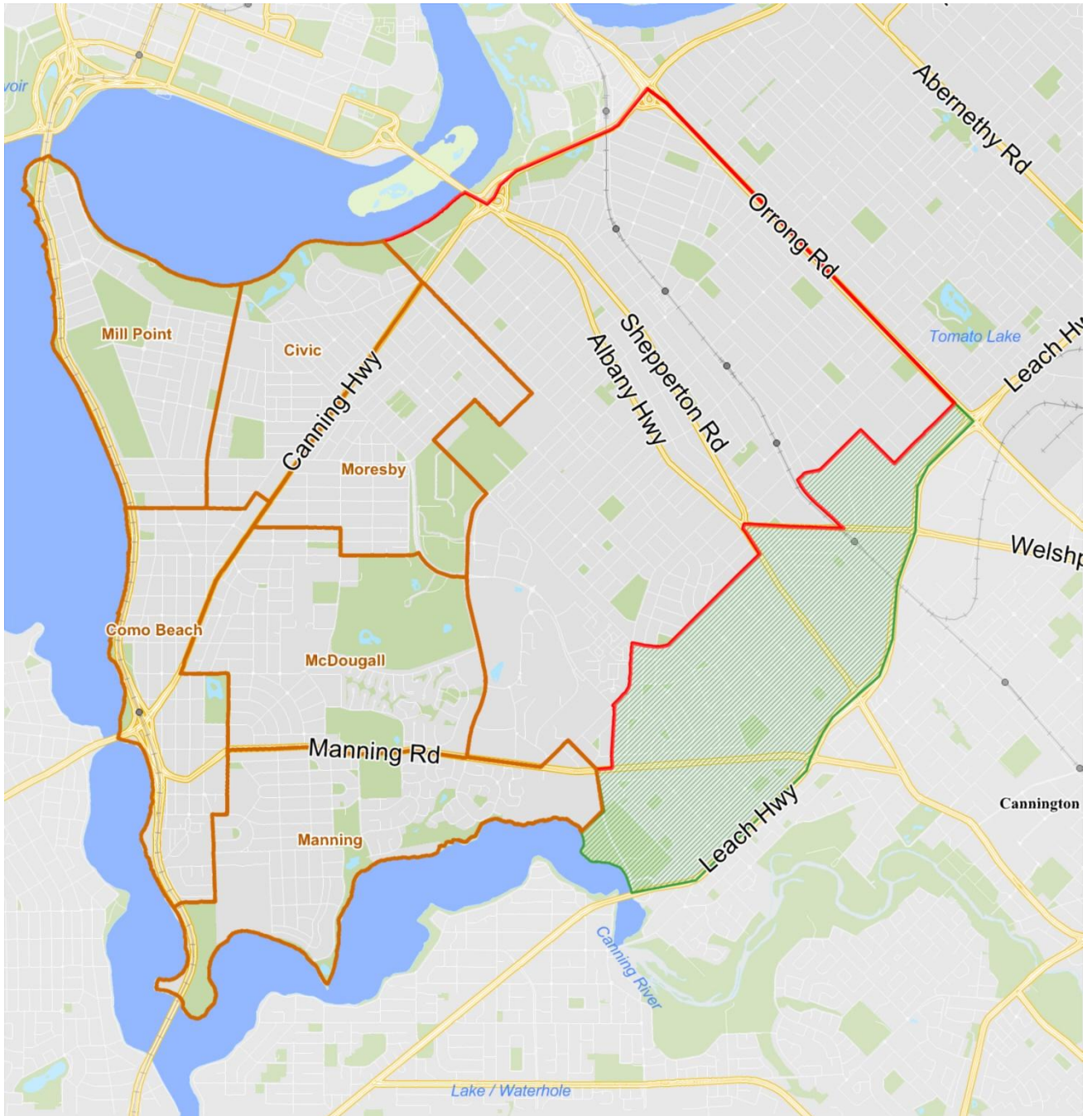
Combined City of South Perth and Town of Victoria Park - Existing Boundaries



Map 3
Combined City of South Perth, Town of Victoria Park and
City of Belmont - Existing Boundaries

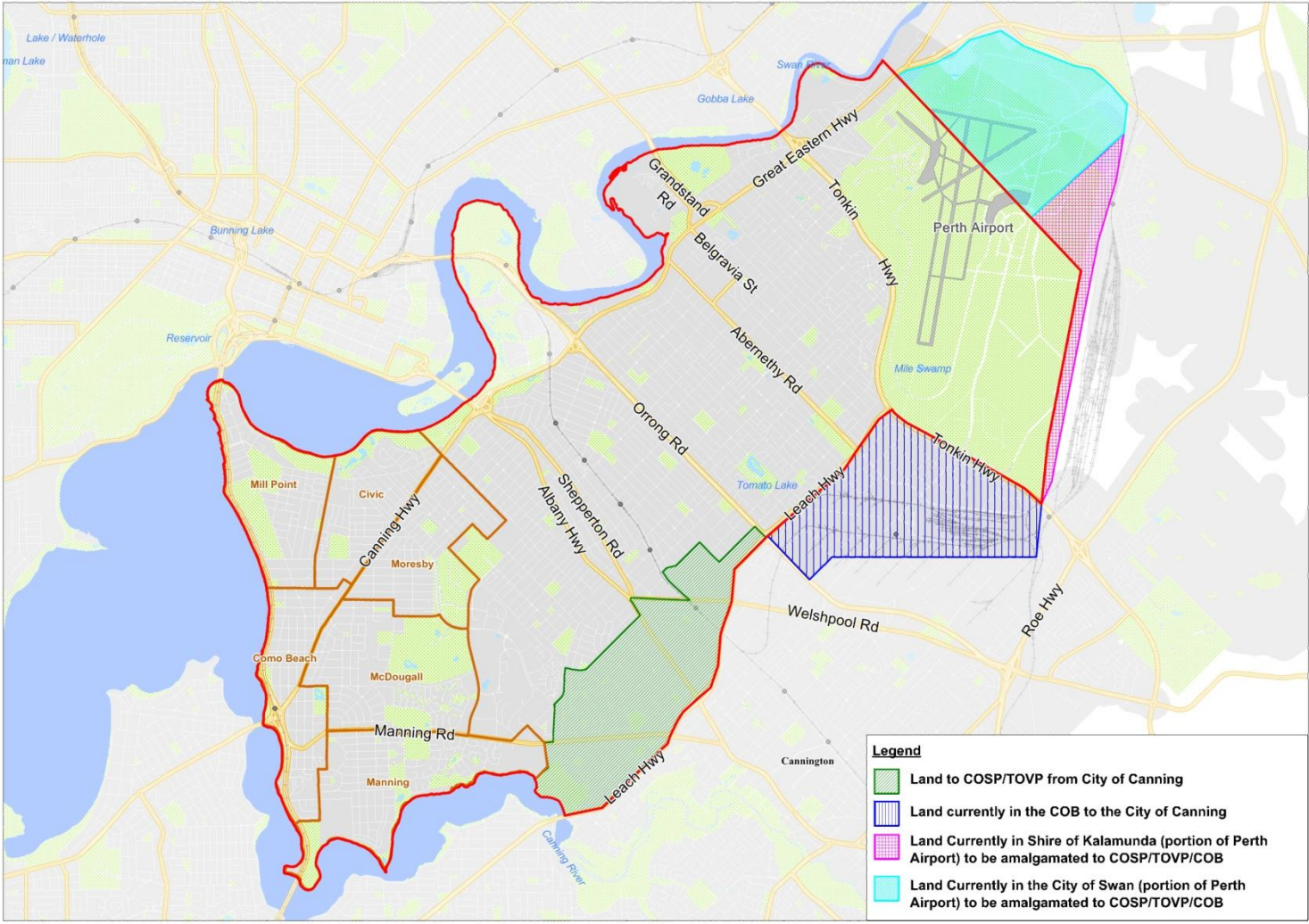


Map 4
Combined City of South Perth and Town of Victoria Park with south eastern boundary extended to Leach Highway



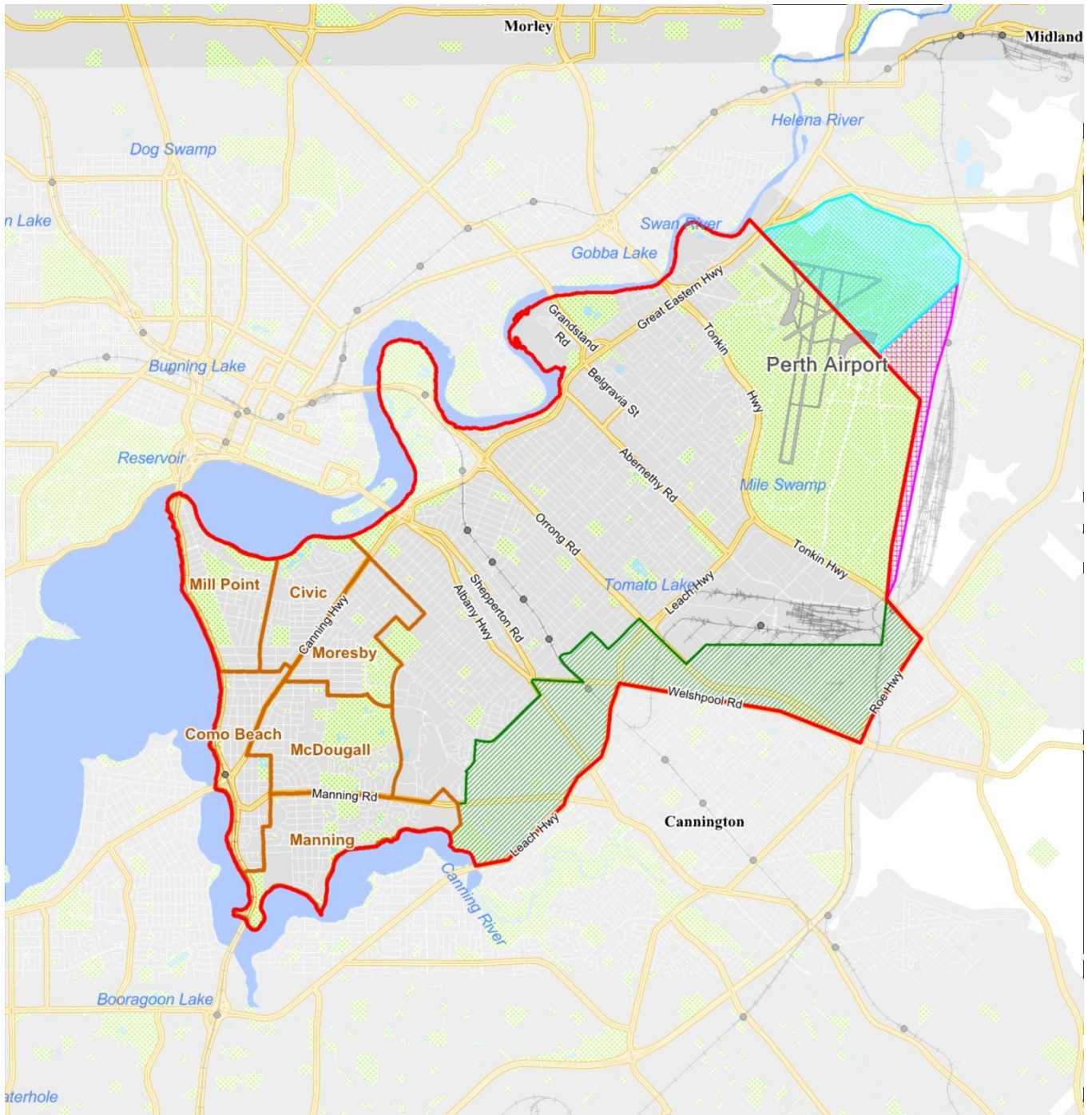
Map 5

Combined City of South Perth, Town of Victoria Park and City of Belmont with southern boundary extended to Leach Highway, Tonkin Highway and the whole of Perth Airport



Map 6

Combined City of South Perth, Town of Victoria Park and City of Belmont with southern boundary extended to Leach Highway, Welshpool Road, Roe Highway, Tonkin Highway and the whole of Perth Airport



Timeframe for Reform Submission to the Minister

