

AGENDA

Special Council Meeting

2 October 2013

Notice of Meeting

To: The Mayor and Elected Members

A Special Council Meeting will be held on Wednesday 2 October 2013 in the Council Chamber, Sandgate Street, South Perth commencing at 7:00 pm.

The purpose of the meeting is to:

- Consider the City of South Perth Local Government Reform Submission to the Local Government Advisory Board.



CLIFF FREWING
CHIEF EXECUTIVE OFFICER
27 September 2013

Our Guiding Values

Trust

Honesty and integrity

Respect

Acceptance and tolerance

Understanding

Caring and empathy

Teamwork

Leadership and commitment

Disclaimer

The City of South Perth disclaims any liability for any loss arising from any person or body relying on any statement, discussion, recommendation or decision made during this meeting.

Where an application for an approval, a licence or the like is discussed or determined during this meeting, the City warns that neither the applicant, nor any other person or body, should rely upon that discussion or determination until written notice of either an approval and the conditions which relate to it, or the refusal of the application has been issued by the City.

Further Information

The following information is available on the City's website.

- **Council Meeting Schedule**

Ordinary Council Meetings are held at 7pm in the Council Chamber at the South Perth Civic Centre on the fourth Tuesday of every month between February and November, with the exception of October. Please note that the October Ordinary Council Meeting will be held on 15 October 2013. Members of the public are encouraged to attend open meetings.

- **Minutes and Agendas**

As part of our commitment to transparent decision making, the City makes documents relating to council and its committees' meetings available to the public.

- **Meet Your Council**

The City of South Perth covers an area of around 19.9km² divided into six wards. Each ward is represented by two councillors, presided over by a popularly elected mayor. Councillor profiles provide contact details for each elected member.

www.southperth.wa.gov.au/Our-Council/

Contents

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS	4
2. ANNOUNCEMENTS FROM THE PRESIDING MEMBER	4
2.1 AUDIO RECORDING OF COUNCIL MEETING	4
3. ATTENDANCE	4
3.1 APOLOGIES	4
3.2 LEAVE OF ABSENCE	4
4. DECLARATION OF INTEREST	4
5. PUBLIC QUESTION TIME (<i>in relation to item 7</i>)	4
6. DEPUTATIONS (<i>In relation to Item 7</i>)	4
7. REPORTS	5
7.1 Local Government Metropolitan Reform - Amalgamation Proposal for the City of South Perth, Town of Victoria Park and the northern portion of the City of Canning	5
8. CLOSURE	13
9. RECORD OF VOTING	13

Special Council Meeting Agenda

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

Chairperson to open the meeting

2. ANNOUNCEMENTS FROM THE PRESIDING MEMBER

2.1 AUDIO RECORDING OF COUNCIL MEETING

3. ATTENDANCE

3.1 APOLOGIES

3.2 LEAVE OF ABSENCE

4. DECLARATION OF INTEREST

5. PUBLIC QUESTION TIME *(IN RELATION TO ITEM 7)*

6. DEPUTATIONS *(IN RELATION TO ITEM 7)*

7. REPORTS

7.1 Local Government Metropolitan Reform - Amalgamation Proposal for the City of South Perth, Town of Victoria Park and the northern portion of the City of Canning

Location: City of South Perth
Applicant: Council
Date: 27 September 2013
Author: Phil McQue, Manager Governance & Administration
Reporting Officer: Cliff Frewing, Chief Executive Officer

Summary

Following the Robson Report into Local Government Metropolitan Reform, the State Government in July 2013 announced a fourteen local government model for the Perth metropolitan area. The State Government proposed that the City of South Perth, Town of Victoria Park (excluding the Crown Casino and future Burswood Stadium) and the northern part of the City of Canning be amalgamated, to come into effect 1 July 2015.

The Minister for Local Government has requested each local government to lodge a submission with the Local Government Advisory Board on the State Government's proposal by 4 October 2013. The Minister for Local Government has also advised that he will lodge submissions with the Local Government Advisory Board if submissions are not lodged by a local government or are not consistent with the State Government's proposal.

The City of South Perth and Town of Victoria Park's Joint Taskforce have prepared a Submission Paper to the Local Advisory Board and this report considers this Paper and its recommendations.

Officer Recommendation

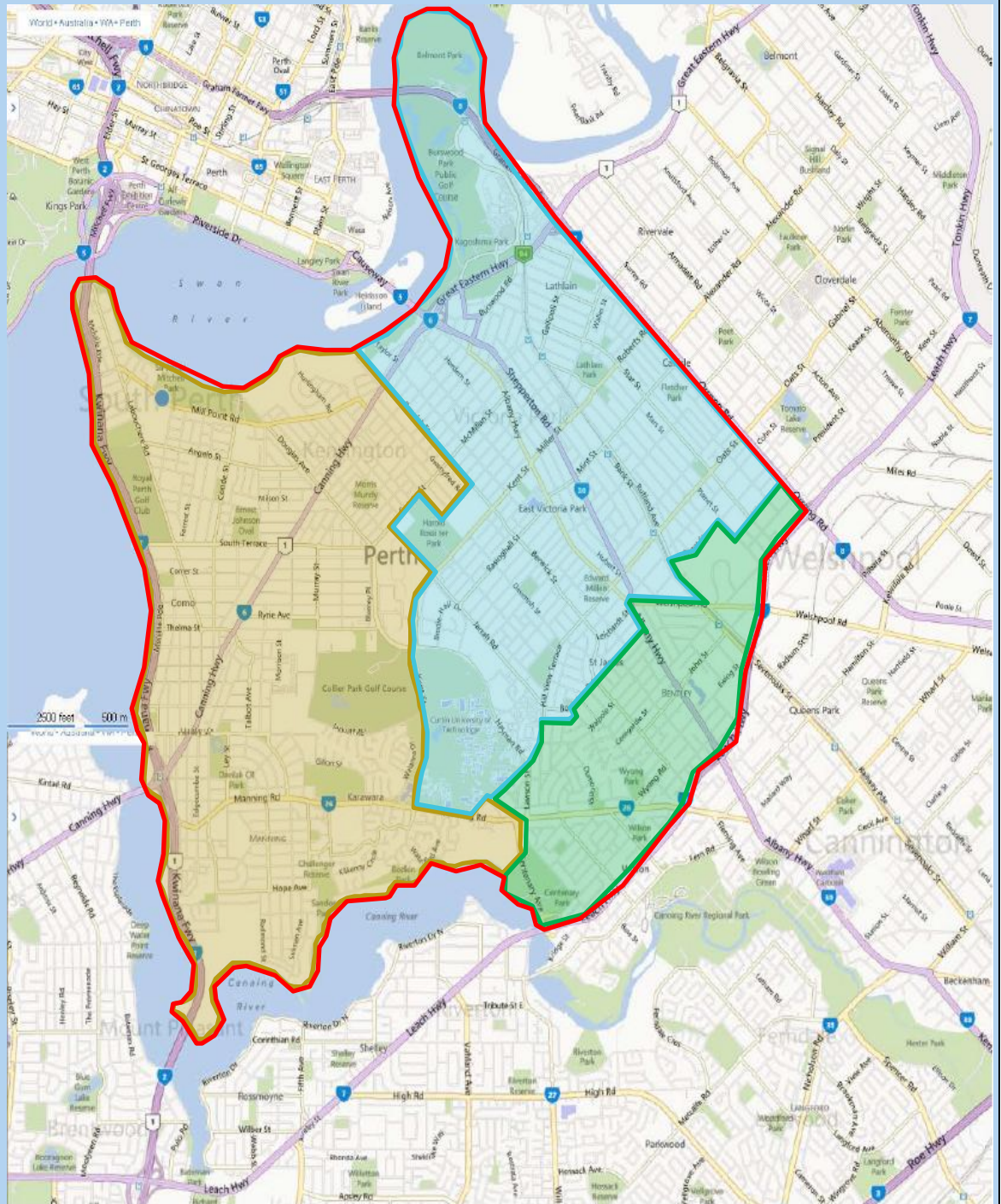
That:





1. The City of South Perth being an affected local government within the meaning of Schedule 2.1 of the *Local Government Act 1995*, resolves to submit the proposal (as at **Attachment 7.1**) to the Local Government Advisory Board, pursuant to clause 2(1) of the *Local Government Act 1995*, that order be made by the Governor under Section 2.1 of the *Local Government Act 1995* which would:
 - (a) Amalgamate the districts of the City of South Perth and Town of Victoria Park in their entirety (inclusive of the entire Burswood Peninsula);
 - (b) Change the boundaries of the districts to incorporate that area of the City of Canning presently located to the north west of Leach Highway; and
 - (c) Change the boundaries of the districts to incorporate that area of the City of Belmont known as Balbuk Reserve in accordance with Map 1 and Map 2a and 2b illustrating the changes.
2. The Council recommends to the Local Government Advisory Board, as part of its proposal, that:
 - (a) Retention of the whole of the Burswood Peninsula and GO Edwards Park Reserve is critical to the sustainability of both the present Town of Victoria Park and the proposed new City of South Perth and Town of Victoria Park local government entity;
 - (b) The State Government should fund all reasonable amalgamation transition costs; and
 - (c) Transfer of portion of the City of Canning to the new City of South Perth and Town of Victoria Park local government entity must be contingent on the transfer of an equivalent proportion of resources, assets and funds.
3. The Council authorise the Joint Taskforce terms of reference to now include transitional implementation arrangements for the proposed new local government, reporting back

periodically to the City of South Perth and the Town of Victoria Park.

4. The Council consider a budget allocation in the mid-year budget review to fund the City's initial investigations into the transitional arrangements.

Map 1: Illustration of proposed changes to Town of Victoria Park, City of South Perth and portion City of Canning municipal boundaries



-  Proposed new local government area (illustrative purposes only, boundary not precise)
-  Currently the City of South Perth
-  Currently the Town of Victoria Park
-  Currently part of the City of Canning

Map 2a: Present Balbuk Reserve sitting over two local government boundaries



- Present municipal boundary (Town of Victoria Park / City of Belmont)
- Balbuk Reserve

Map 2b: Proposed Balbuk Reserve sitting within the Town of Victoria Park / new local government entity



- Proposed municipal boundary (Town of Victoria Park / City of Belmont)
- Balbuk Reserve

Background

In June 2011, the State Government appointed an independent Metropolitan Local Government Review Panel to examine the social, economic and environmental challenges facing Perth in the next fifty years. The Panel was asked to recommend governance models and boundaries for local governments in the Perth metropolitan area that take account of those challenges. Following consultation, the Panel made thirty recommendations for changes to Perth's local government arrangements including a reduction in the number of local governments.

This report was released for public comment until April 2012. After considering the report, community feedback and examples from interstate and overseas, the State Government announced plans for widespread changes to Perth's metropolitan local governments.

In July 2012, the Metropolitan Local Government Review Panel concluded a year-long review of local government in Perth and presented its final report to the State Government. In its final report, the Panel proposed two options for Perth metropolitan local governments. Both options reduced the number of local governments from thirty to twelve. The City of South Perth had two options to consider, being amalgamated partially with the City of Perth and parts of other inner City local governments or being amalgamated entirely with the City of Canning and the Town of Victoria Park.

The City of South Perth resolved the following in response in April 2013:

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 metropolitan area:*
 - 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 Town of Victoria Park;*
 - 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.*
 - 4) *That the City's Resolution on the topic of Local Government Reform and the Submission be approved and forwarded to the Minister for Local Government.*

On 31 July 2013, the State Government announced a fourteen local government model for the Perth metropolitan area. This model proposes that the City of South Perth, the Town of Victoria Park (excluding the Crown Casino and future Burswood Stadium) and the northern part of the City of Canning be amalgamated.

The City of South Perth and Town of Victoria Park both resolved to establish a Joint Taskforce on 14 May 2013 to explore and make recommendations regarding resource sharing, exploring opportunities for boundary adjustments and identifying scenario planning for the amalgamation of the two local governments. The Taskforce has met eight times to develop the Submission Paper to the Local Government Advisory Board with regular progress reports presented to Council.

Comment

The Joint Taskforce has prepared a Submission Paper to the Local Government Advisory Board based on the premise of the City of South Perth and Town of Victoria Park amalgamating in their entirety, with the northern part of the City of Canning. The Submission Paper is based on the guiding principles presently used by the Local Government Advisory Board:

- community of interests;
- physical and topographic features;
- demographic trends;
- economic factors;
- history of the area;
- transport and communications;
- matters affecting the viability of local governments; and
- the effective delivery of local government services.

The City of South Perth is supportive of amalgamating with the Town of Victoria Park, subject to the entire retention of the Burswood Peninsula as outlined in its April 2013 resolution.

The Submission Paper focuses strongly on the State Government's illogical decision to excise the Crown Casino and future Burswood Stadium to the City of Perth. The City of South Perth is also aware that the City of Perth at its Special Council Meeting on 26 September 2013 resolved to make a submission to the Local Government Advisory Board for the entire Burswood Peninsula to be annexed to the City of Perth.

Metropolitan local government reform is based on the premise of increasing the financial capacity, efficiency and sustainability of local governments for the benefit of the community. The loss of the Burswood Peninsula would have a significant detrimental financial effect on the sustainability, scale and ongoing viability of the proposed new local government and is therefore strongly opposed by the City of South Perth and the Town of Victoria Park.

The State Government and the City of Perth are of the view that the City of Perth should have iconic facilities and strategic assets because *"when compared to other Australian Cities, the City of Perth is the smallest geographically and does not project a prominent image in the region or globally"* City of Perth submission 26 September 2013. The City strongly believes that this reason does not justify in any way the proposal to excise part or the whole of the Burswood Peninsula from the proposed new local government. There is no relationship between Perth's international recognition as a global City and the make-up of its assets.

The City is of the strong view that the river is the natural boundary, as provided in the Local Government Advisory Board's guiding principles. The City views itself similar to the situation that presently exists in Sydney where the City of Sydney does not cross the Sydney Harbour. Rivers are the most common and easily understood boundary, creating a sense of place and community along either side of it.

There is no community of interest between the Perth Central Business District and the Burswood Peninsula to justify the proposed annexure. However, there is already a strong broad community of interest between the Burswood Peninsula and the existing Town of Victoria Park. The State Government and the City of Perth are yet to provide proper analysis and compelling evidence as to why this should be annexed to the City of Perth. Conversely, the relative proximity and planned intensive activation of the Burswood Peninsula to the adjoining Victoria Park suggests the need for a high level of integrated planning and coordination.

The Burswood Peninsula when fully developed will house approximately 10,000 residents and if annexed to the City of Perth, would represent a significant increase in electors and residents. This would detract the City of Perth focusing solely on promoting, regenerating and revitalising the Perth Central Business District. It would also reduce the future population of the proposed new local government, thereby reducing its scale of operation.

A second anomaly has also been identified relating to a portion of Balbuk Reserve presently within the City of Belmont. Balbuk Reserve was created when the Graham Farmer Freeway was created. The Reserve operates as a boat ramp area, typically for launching ski boats into the adjacent approved water skiing area. The entire Reserve is 1.3767 hectares in area; however is presently split over the City of Belmont and Town of Victoria Park municipal boundaries. Entry points to the Reserve are solely from within Town of Victoria Park borders and both the Town and the City of Belmont maintain the Reserve, with proportionate financial contribution from each.

In the interest of eliminating this illogical and impractical boundary issue, it is proposed that this very minor boundary anomaly is considered and resolved by the Local Government Advisory Board. It is recommended that the practical portion of the Reserve associated with the use and maintenance of the boat ramp area be included within the new local government entity. Whilst this presents a minor additional financial and resource burden to the new local government entity, it presents better governance, administrative and practical outcomes.

The Submission Paper also considers the benefits of the City of South Perth and Town of Victoria Park amalgamating. In brief, benefits of the proposed new local government include:

- reduction in duplication of resources / assets etc.
- improved efficiencies and financial capacity
- ability to focus on larger scale strategic projects
- opportunities to increase diversity of services and programs
- stronger advocacy, lobbying and ability to attract federal funding
- improved purchasing power
- consistency in governance, policy, processes and planning for residents
- continuous foreshore management on the southern side of the Swan River

The major disadvantage of the proposed new local government could potentially be the loss of identity for each local government. This perceived risk is considered very low given that the population of the proposed local government is still relatively small and there is a strong community of interest that already exists between the communities of both local governments.

Consultation

The City of South Perth and the Town of Victoria Park have conducted extensive community consultation on this topic. At the conclusion of each Joint Taskforce Meeting, media releases were issued and updates provided on both Council websites to keep the community continually informed.

In response to the State Government's proposal for the City of Perth to receive a portion of the Burswood Peninsula, a comprehensive 'Battle for Burswood' campaign was launched and the community invited to participate in a survey which was distributed to every household in the City of South Perth and Town of Victoria Park. The results of the survey are included in the final report and show overwhelming support of 97% (2090 favourable responses) for the proposed new local government to retain the entire Burswood Peninsula.

A 'Battle for Burswood' community rally was also held on Sunday 15 September 2013 which was well attended by approximately 500 community members, all in support of the Burswood Peninsula being retained.

Representatives of the City of South Perth have also met with and lobbied with several Members of Parliament including the Minister for Local Government, Hon Kate Doust MLC, Hon Rick Mazza MLC, Hon Sue Ellery MLC, Hon Simon O'Brien MLC, Hon Nick Goiran MLC, Hon Phil Edmund MLC, Hon John McGrath MLA, Hon Nigel Hallet MLC, Dr Graham Jacobs MLA, Matt Taylor MLA and Dean Nalder MLA with more meetings planned in coming weeks with further politicians.

A Councillors Briefing was held on 10 September 2013 to discuss the Joint Taskforce draft submission paper and the issue of metropolitan local government reform.

The Local Government Act 1995 provides that our community will have a further opportunity to comment on this proposal once the Joint Submission is submitted to the Local Government Advisory Board.

Policy and Legislative Implications

The State Government has indicated that there will be amendments to the *Local Government Act 1995* in the later part of 2013 to facilitate metropolitan local government reform.

Financial Implications

The proposed amalgamation of the City of South Perth and Town of Victoria Park would be subject to considerable expenditure. The City is aware that there is limited funding of \$2M in the State Governments budget and forward estimates. The City has been advised by the Minister for Local Government that there will be mid-year budget review re-allocation to fund metropolitan local government reform.

The Submission Paper to the Local Government Advisory Board considers the financial implications of the recommended amalgamation model. The consultant appointed to undertake a financial analysis has illustrated that the retention of the entire Burswood Peninsula is of paramount importance to the financial sustainability and capacity of the proposed new local government.

The loss of the Crown Casino represents an annual loss of \$2.8M in rating revenue. Coupled with the anticipated growth and development within the Burswood Peninsula, this represents a significant loss for the proposed new local government, which will be reflected in higher rates or decreased service delivery for residents of the proposed new local government.

The consultant's financial analysis of the transfer of the northern part of the City of Canning to the proposed new local government as compensation for the loss of Crown Casino shows there to be nil financial gain.

In addition, the transfer of the Burswood Peninsula would result in a \$90M land asset being transferred to the City of Perth.

The City, in conjunction with the Town of Victoria Park made a submission to the Department of Local Government for \$200,000 in funding. However, the City's submission to the Local Government Advisory Board is not consistent with the State Government's proposal and under the funding guidelines, it is unlikely that this grant submission will be successful.

The City is of the view that the amalgamation of the City of South Perth and the Town of Victoria Park should be funded by the State Government, with minimal impact on its ratepayers.

Strategic Implications

This report is consistent with the [Strategic Plan 2013–2023](#), 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*”.

Sustainability Implications

This report is aligned to the City's [Sustainability Strategy 2012–2015](#). The report has been prepared directly in response to the Western Australian State Government Metropolitan Local Government Reform process, with the objective of making the sector more efficient, sustainable and stronger into the future.

8. CLOSURE

9. RECORD OF VOTING