



Town of Cottesloe

## **COUNCIL MEETING**

**24 June 2013**

### **10.1.1 METROPOLITAN LOCAL GOVERNMENT REFORM**

#### **ATTACHMENTS**

- 1. LETTER - TOWN OF CLAREMONT - PROPOSAL TO CHANGE BOUNDARIES AND ABOLISH DISTRICTS**
- 2. TOWN OF CLAREMONT - REPORT ON LOCAL GOVERNMENT STRUCTURAL REFORM - 4 JUNE 2013**
- 3. METROPOLITAN LOCAL GOVERNMENT - REFORM UPDATE - DLG ISSUE 03**

6 June 2013

Mr Carl Askew  
Chief Executive Officer  
Town of Cottesloe  
PO Box 606  
COTTESLOE WA 6911



Dear Carl

**Proposal to Change Boundaries and Abolish Districts**

At a meeting of the Council held 4 June 2013 the Council of Town of Claremont resolved to prepare and make a proposal to the Local Government Advisory Board.

A map of the proposed boundaries and the Council's resolution have been sent to the Local Government Advisory Board as preliminary notification of the Town's intention.

Council's resolution is:  
That

1. Council formalise its preferred position for a local scale merger of the Towns of Claremont, Cottesloe and Mosman Park and Shire of Peppermint Grove plus areas of Mt Claremont and Swanbourne from Nedlands and Cambridge;
2. The attached map for three councils in the western suburbs region (including Town of Cambridge) be endorsed as the basis for a submission of a proposal for boundary changes to the Local Government Advisory Board;
3. A boundary proposal be made to the Local Government Advisory Board in accordance with Section 2 of Schedule 2.1 of the *Local Government Act 1995* based on the map detailed in (2) above;
4. The Town collaborate with the Town of Cambridge and/or City of Subiaco or any of the other affected local governments to support and put into effect the three council map for the western suburbs as detailed in (2) above or modified to meet the requirements of the boundaries between those two councils; and
5. The Mayor and Chief Executive Officer be authorised to prepare and lodge a boundary proposal as detailed in (3) above including the authority to make minor amendments to the proposed new boundary.

Council understands and respects that there are diverse views about local government structural reform and that the councils of the G4 district have differing positions. Council would of course much prefer to be able to proceed with the support of and in partnership with your Council as well as the other two Councils, but will proceed to make submission itself if no other Council wishes to join the process at this time.

I am preparing a formal proposal in accordance with Section 2(1)(b) of Schedule 2.1 of the *Local Government Act* 1995 with the intention to submit the proposal as soon as possible and preferably before the Minister for Local Government makes a public announcement of his preferred boundaries. It is understood an announcement from the Minister should be expected by the end of June. The purpose of this letter is to give you notice of the Town's intention and to offer this as an opportunity for our Councils to work together to achieve a community scale local government from the change process.

I am the responsible officer for this matter and can be contacted on [REDACTED] or [sgoode@claremont.wa.gov.au](mailto:sgoode@claremont.wa.gov.au)

Yours sincerely



Stephen Goode  
Chief Executive Officer

Enclosed: Proposed Boundary Map

**NEW BUSINESS OF AN URGENT NATURE APPROVED BY THE PERSON  
PRESIDING OR BY DECISION OF MEETING**

**LOCAL GOVERNMENT STRUCTURAL REFORM: PROPOSAL TO FORMALLY  
SUBMIT TOWN OF CLAREMONT BOUNDARY CHANGE PROPOSAL TO LOCAL  
GOVERNMENT ADVISORY BOARD**

**File Ref:** GOR/00069

**Attachments:** [Proposed New Council Boundaries for Western Suburbs](#)

**Responsible Officer:** Stephen Goode  
Chief Executive Officer

**Author:** Stephen Goode  
Chief Executive Officer

**Proposed Meeting Date:** 4 June 2013

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**Purpose**

For Council to consider submitting a proposal to the Local Government Advisory Board (LGAB) which reflects Council's adopted preferred option for local government boundary changes. Further to authorise the submission to be in conjunction with one or more other local governments.

**Background**

The final report of the Metropolitan Local Government Review Panel (Robson Panel) was considered by Council at its meeting of 4 December 2012.

Council resolution 229/12 responded to most of the Panel's proposals; of particular relevance to this report, Council adopted as its preferred position a local scale merger, being 'G4', that is, Claremont, Cottesloe, Mosman Park and Peppermint Grove or G4 plus including areas like Mt Claremont and Swanbourne from Nedlands and Cambridge.

There were no successful discussions with the G4 councils following the decision. The Mayor and CEO, together with the Mayor of Town of Cambridge met with the Premier following the 2013 State election, at which time the Premier reiterated that the State Government had an agenda for local government structural reform and that he supported a G4 scale outcome.

On Tuesday 28 May, 2013 the Mayors/President and CEOs of the western suburbs councils were invited to meet the Minister for Local Government. City of Nedlands did not attend. Mayor Morgan from Town of Cottesloe left after speaking briefly and privately to the Minister. Town of Cambridge was not invited to this meeting, instead being included with the likes of City of Stirling due to the established regional groupings. The Minister made clear the Government's intention to proceed with structural reform involving boundary changes to existing local governments.

## Discussion

The consideration of local government structural reform in Western Australia has been ongoing for decades. Inevitably this has usually included a focus, to a greater or lesser degree, on the western suburbs local governments. While reform has occurred in all other Australian states and territories nothing significant has changed in Western Australia. Since 2009 the WA State Government has made clear it wants to achieve local government structural changes and this has been focused on the metropolitan area, at least in the first instance. While it has been less than clear whether changes will be voluntary or compelled no real progress has occurred (probably largely because of the level of uncertainty). It is evident that for a variety of reasons the local government sector will not implement reforms if left to itself. Since the 2013 elections it has become increasingly clear that the Government intends to take the lead to achieve changes.

At the 28 May meeting with the Minister a reasonably clear message was delivered, which in summary is:

- There will be local government reform involving changes to local government boundaries in the metropolitan area;
- This will be announced sooner rather than later (within 2 months);
- 2013 local government elections are going ahead because it is not practical to get legislation through in time to stop them;
- There will be (some) funding to assist the merging councils – a model for this is being worked on by the Department of Local Government;
- Commissioners will be appointed to oversee the changes (although there may be some different title);
- It was not clear what role Councils will have during the transition process other than the Minister commenting that changes would not be implemented overnight and indicating some ongoing role;
- The Minister stated he wants to achieve change with cooperation of local government but indicated a willingness to impose change if it becomes necessary (e.g. if one council is fighting against several willing ones);
- The 'Dadour amendment' is likely to be amended (i.e. any poll to be of the electors of the entire proposed new district). The Minister referred to the situation in recent proposals in country WA which have been vetoed by a small number of electors in one of the local governments and believes that to be undemocratic, and by extension that by giving all of the electors in a proposed new district a say in the decision there will be greater democracy;
- The Minister indicated that the Premier's preference remains 15 – 20 councils.

There was not much room for doubt about the Government's broad intentions, even if the detail is yet to emerge.

Subsequent to the meeting with the Minister there has been ongoing media coverage, all of which confirms the Government's direction and intention. For example, speaking on Radio ABC the Premier indicated there will be changes to the boundaries of City of Perth and that this would be followed by changes in the western suburbs.

During the post election discussions with the Premier he suggested that Town of Claremont (and Town of Cambridge) should submit their preferred boundary proposal to the Local Government Advisory Board. Discussion at CEO level has reached a preference for a joint submission, i.e. a proposal for new boundaries for the seven local governments of the western suburbs (including Cambridge) resulting in three local governments. The proposed boundaries are shown on the attached map.

The western suburbs including Town of Cambridge had a combined population of 97,000 residents based on the Estimated Resident Population (ERP) as at 30 June 2011 published by the ABS (these figures may have changed to some degree but not in a way that will be material to this decision). A table detailing some relevant statistics is provided below:

Local Government	Population	Operating Revenue	Rates	Operating Expenditure	Area Km <sup>2</sup>
Cambridge	26,775	\$37.4m	\$19.5m	\$38.2m	22.0
Nedlands	22,144	\$27.2m	\$17.8m	\$28.5m	20.6
Subiaco	18,866	\$42.7m	\$18.6m	\$40.5m	7.1
Claremont	9,991	\$15.2m	\$11.2m	\$15.4m	4.9
Mosman Park	9,363	\$10.1m	\$7.1m	\$10.2m	4.3
Cottesloe	8,177	\$10.1m	\$8.1m	\$10.6m	4.0
Peppermint Grove	1,658	\$4.0m	\$2.3m	\$4.2m	1.5
<b>Total</b>	<b>96,974</b>	<b>\$146.6m</b>	<b>\$84.6m</b>	<b>\$147.6m</b>	<b>64.4</b>

Source: ABS Estimated Resident Population (ERP) 2011 and Council Budgets 2012/13.

- Notes:
1. Operating revenue excludes capital grants and contributions, and asset disposals.
  2. Operating expenditure includes depreciation.
  3. Rates do not include waste charges. Some Councils do not levy a separate waste charge or do not charge the full cost of waste in the charge such as Cambridge.

Accepting the vagaries of the accuracy of the data, the table gives an indication of the possible size and capacity of the proposed local government.

Discussions with the Town of Cambridge and City of Subiaco resulted in a proposal for three councils for the western suburbs of similar (population) size as shown in the attached map.

The reasoning for the proposed three council model includes:

- Reduce the number of councils in the western suburbs by four;
- Restructuring the western suburbs in this manner would be less disruptive in the community and at a lower cost than amalgamating all western suburbs councils;
- Cambridge, Subiaco and Claremont are 'natural centres' for new local governments;
- Each of the three councils will be of a similar scale, size and financial capacity to deliver a comprehensive range of services whilst retaining local identity and connections to the community;
- Each of the local governments will become larger;
- Communities will remain within local scale districts rather than being consumed in large scale alternatives.

Details of the population of the proposed three council structure in the western suburbs are:

	<b>Current</b>	<b>Proposed</b>	<b>Difference</b>	<b>% Inc</b>
G4	29,189	35,710	6,521	22%
Cambridge	26,775	41,540	14,765	55%
Subiaco	18,866	33,551	14,685	77%
Nedlands	22,144	0	-22,144	
<b>Sub total</b>	<b>96,974</b>	<b>110,801</b>	<b>13,827</b>	
Stirling (Part)	13,827	0	-13,827	
<b>Total</b>	<b>110,801</b>	<b>110,801</b>	<b>0</b>	

Under this proposal G4 would be a combination of Claremont 10,000 (28%), Mosman Park 9,400 (26%), Cottesloe 8,200 (23%), Peppermint Grove 1,700 (5%) plus Mt Claremont from Nedlands and part of Swanbourne from Cambridge, about 6,500 (18%). Cambridge would gain 13,800 people from Stirling and 1,300 from Nedlands and cede a small number of 100 to Subiaco and 300 to the G4. Subiaco would gain 14,600 from Nedlands.

An alternative model is to transfer Dalkieth to G4 which increases the G4 population to 39,700 and decreases Subiaco to 29,500.

While it is disappointing that no effective discussions have been possible to draw the Town's G4 neighbours into agreement about the proposed three council model it is reasonable to note that the local governments of Cambridge, Claremont and Subiaco collectively represent 60% of the population in the western suburbs. The current known position of the four (G4) councils is believed to be:

- Peppermint Grove will not voluntarily support any form of merger.
- It is believed the Mosman Park Council when it last considered the matter voted 4 – 3 against negotiating a merger. Mayor Norrish has indicated that if the Government were to provide guidance and clear direction the Council's position might change.
- Cottesloe Council has a resolution to consider a G4 but it is conditional and not without equivocation.
- Claremont Council has supported consideration of a small scale merger; either a G4 or with those members of the G4 plus Mt Claremont from Nedlands and part of Swanbourne from Cambridge.

It should also be recognised that City of Subiaco has indicated that it is not willing to actively support any proposal to the LGAB.

In summary G4 has been considered by Claremont Council as a preferred outcome (in the event of reform occurring) because;

- It is a 'merger of equals', meaning that, other than Peppermint Grove, the communities are of similar size and no one would dominate the others;
- There are communities of interest across the proposed members;
- The combination is still a small enough local government to have all the attributes of community based local government;

- Although still small there would be a significant increase in operating capacity and the opportunity to rationalise duplicated expenditures, improve or add services, equitably share the cost of 'regional services'; and
- Claremont is well placed to be the administrative centre for such a local government.

The expansion to G4 plus does not materially change these factors while adding to the population (thereby probably making the proposal more palatable to the Government) and will increase the revenue base.

## **Past Resolutions**

### Ordinary Council Meeting 04 December 2012, Resolution 229/12:

That

1. Town of Claremont does not accept that the Metropolitan Local Government Review Report has established the case for the reform of local government and in particular fails to provide credible evidence that amalgamation into twelve large local governments will deliver better local government which will improve connection to and service for the communities they serve.
2. Council has reached the conclusion that mergers are likely to be required by the State Government and rather than accept the imposed outcome proposed by the Report will take a leadership role, adopt a position and promote it.
3. Council adopts as its preferred position a local scale merger, being 'G4' that is, Claremont, Cottesloe, Mosman Park and Peppermint Grove or G4 plus areas like Mt Claremont and Swanbourne from Nedlands and Cambridge.
4. Council's preferred position is that a joint proposal for a small scale merger be made together with the other affected local governments.
5. Council agree to negotiate with neighbouring local governments to attempt to achieve an acceptable merger option, i.e. G4 or G4 plus as described above, and to develop a joint submission setting out a comprehensive transition plan.
6. Council support the Mayor taking a leadership role to promote the preferred outcome with the other local governments, with the Claremont community and the wider community.
7. Town of Claremont make a submission to the Metropolitan Local Government Review Report:
  - a. Rejecting the proposition that existing local governments be replaced by twelve new local governments for the metropolitan area.
  - b. Advocating the preferred structure for a new local government based on Claremont (i.e. G4 or G4 plus).
  - c. Support the return of local government planning approval powers to local government within metropolitan Perth.
  - d. Support an examination of the case for the management of waste treatment and disposal at a metropolitan-wide scale being either undertaken by a State authority or through a partnership with local government.
  - e. In respect to local government elections:
    - i. Elections to be conducted by the State Electoral Commission or other suitable agency to allow a level of competition and accountability
    - ii. Voluntary voting to be retained
    - iii. Elections should be conducted biannually by postal ballot (i.e. retain retirement of half of council at each election)
    - iv. Should not allow party or group politics

- v. Retain choice for communities for Mayors and Presidents to be directly elected by the community or from within Council
  - vi. Limits on the terms a council member can serve not be considered further
  - vii. The principle of appropriate training for the role of a Mayor or councillor is supported
  - viii. The voting method for local government elections be exhaustive preferential.
8. Council support a collaborative process between State and local government to establish a new Partnership Agreement which will progress strategic issues and key result areas for both State Government and local government as well as improved co-ordination between State Government agencies in the metropolitan area, including between State Government agencies and local government.
  9. Town of Claremont advise WALGA of its adopted positions and submit them for consideration in any WALGA industry submission.

Ordinary Council Meeting 17 July 2012, Resolution 128/12:

That Council update the community on the structural reform and invite community feedback on reform as it relates Claremont including the proposed Robson model, and the alternate G4 model.

Ordinary Council Meeting 16 March 2010, Resolution 62/10:

Council supported entering into a Regional Transition Group (to examine merger with Cottesloe, Mosman Park and Peppermint Grove).

Special Council Meeting 29 September 2009, Resolution 259/09:

Council adopted its submission to the Minister for Local Government which included a statement of willingness to consider structural reform options subject to the interests of the local community being protected.

**Financial and Staff implications**

The financial implications include current officer time committed to this process which is absorbed in the staff budget. There will be significant costs of merging local governments. This report does not identify how this should be funded however previous comments from State Government and more recently by the Minister and the Premier indicate a level of State funding will be available. Costs may include development of an administrative centre suitable for the combined staff, integration of systems which will include software and migrating of data and records, aligning local laws and planning schemes, and staff redundancies.

The Local Government Act includes safeguards for most staff during amalgamations. This provides a guarantee of two years employment or relevant compensation (Council agreed an amendment to the CWA to attempt some certainty about redundancy entitlements). For contracted executive officers the payouts are in some cases limited. For example a CEO will be limited to a maximum of one year of salary package compensation.

The G4 plus alternative would result in an operating revenue in the order of \$45 million. No recent work has been attempted on financial modelling for a new local government. While there are some obvious savings such as executive salary packages (presently there are four CEOs and ten executive managers or equivalent) much of what transpires will depend upon:

- The level of Government funding to offset merger costs
- Decisions of an incoming Council
- Decisions by incoming CEO regarding organisational structure to implement the Council's decisions.

## **Statutory provisions**

The following provisions detailed in Schedule 2.1 of the *Local Government Act 1995* outline the process for making a proposal to amend local government boundaries.

### **2. Making a proposal**

- (1) *A proposal may be made to the Advisory Board by —*
  - (a) *the Minister; or*
  - (b) *an affected local government; or***
  - (c) *2 or more affected local governments, jointly; or*
  - (d) *affected electors who —*
    - (i) *are at least 250 in number; or*
    - (ii) *are at least 10% of the total number of affected electors.*
- (2) *A proposal is to —*
  - (a) *set out clearly the nature of the proposal, the reasons for making the proposal and the effects of the proposal on local governments; and*
  - (b) *be accompanied by a plan illustrating any proposed changes to the boundaries of a district; and*
  - (c) *comply with any regulations about proposals.*

## **Publicity**

It would be fair to say that the vast majority of people who are interested in their local government know about the process that has been very well publicised for the past four years. Given the lack of community involvement into the Robson review consultation it seems that even if voters suddenly got interested it could be a relatively small group.

The last survey undertaken by Claremont was almost five years ago. The indication then was majority support for boundary changes.

During the reform debate there has been several attempts to engage with and gauge community views, with very little success. A full page advertisement over the Mayor's name urging input and submissions hardly raised a comment. Most recently during the Strategic Planning process local government reform did not raise much attention unless people were prompted and then it was not a big issue.

Publicity for this decision will be primarily through media discussion. An explanation of the proposal will be prepared for a special Town Talk.

## **Urgency**

It is important that Council decide its position and allow sufficient time for a submission to be prepared and submitted. It is proposed that this be in conjunction with Town of Cambridge. With an announcement by the Minister signalled as happening within two months this may be the last opportunity for Council to make such a submission.

## **Voting Requirements**

Simple majority decision of Council required.

## **Moved Cr Edwards, seconded Cr Kelly**

### **That**

- 1. Council formalise its preferred position for a local scale merger of the Towns of Claremont, Cottesloe and Mosman Park and Shire of Peppermint Grove plus areas of Mt Claremont and Swanbourne from Nedlands and Cambridge;**
- 2. The attached map for three councils in the western suburbs region (including Town of Cambridge) be endorsed as the basis for a submission of a proposal for boundary changes to the Local Government Advisory Board;**
- 3. A boundary proposal be made to the Local Government Advisory Board in accordance with Section 2 of Schedule 2.1 of the *Local Government Act 1995* based on the map detailed in (2) above;**
- 4. The Town collaborate with the Town of Cambridge and/or City of Subiaco or any of the other affected local governments to support and put into effect the three council map for the western suburbs as detailed in (2) above or modified to meet the requirements of the boundaries between those two councils; and**
- 5. The Mayor and Chief Executive Officer be authorised to prepare and lodge a boundary proposal as detailed in (3) above including the authority to make minor amendments to the proposed new boundary.**

**CARRIED(108/13)**

For the Motion: Mayor Barker and Crs Kelly, Lorenz, Mews, Goetze, Wood, Browne and Edwards.

Against the Motion: Cr Haynes.

# **COUNCIL**

## **LOCAL GOVERNMENT STRUCTURAL REFORM: PROPOSAL TO FORMALLY SUBMIT TOWN OF CLAREMONT BOUNDARY CHANGE PROPOSAL TO LOCAL GOVERNMENT ADVISORY BOARD**

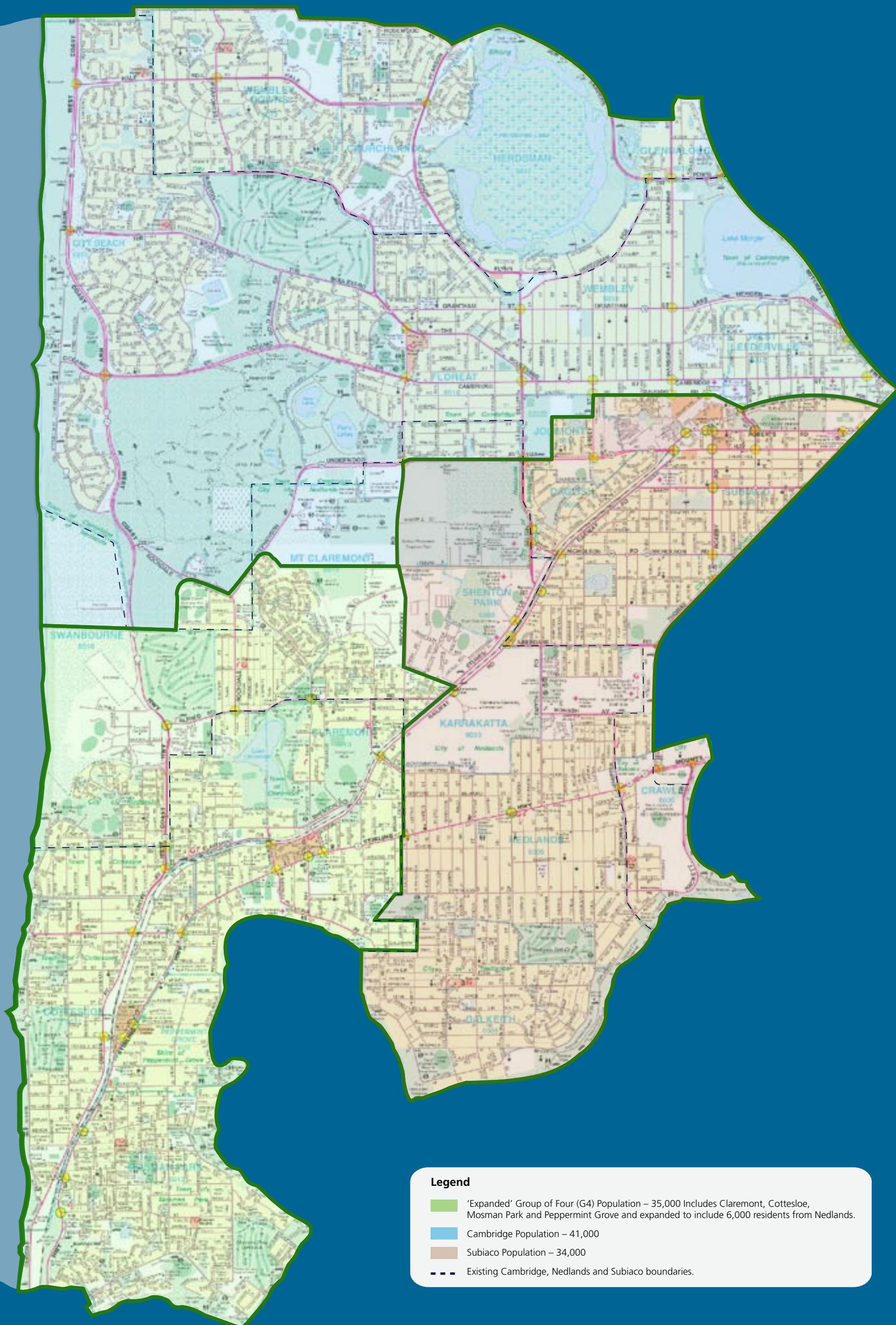
### **PROPOSED NEW COUNCIL BOUNDARIES FOR WESTERN SUBURBS**

**04 JUNE 2013**

**ATTACHMENT 1**

**PAGES 1**

# New Council Boundaries - Western Suburbs Region



## Department of Local Government

# Metropolitan Local Government Reform Website

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## View Update

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### Metropolitan Local Government Reform Update - Issue 03

10 June 2013



#### Feedback aids planning

The planning for metropolitan local government reform is continuing with a strong focus on feedback received from the local government sector and the wider community.

When Local Government Minister Tony Simpson met with Mayors and Chief Executive Officers two weeks ago, he said he would be happy to follow up with one-on-one meetings with councils.

In line with that commitment, he has already met with representatives from Belmont, South Perth, Victoria Park and Kalamunda.

He has also met with the WA Local Government Association and Local Government Managers Australia.

The Minister is aware that a number of councils are considering putting proposals to the Local Government Advisory Board before the Government's preferred model for metropolitan local government reform is announced.

He said this action may be premature as State Government funding for mergers may not be made available for proposals which are not in line with the Government's model.

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#### Reckoning on rates

Queries about rates and whether they would rise because of amalgamations are among the most frequently raised questions during discussions about metropolitan reform.

There is no reason to expect rates to rise because two or more councils are merging.

Indeed, with the development of larger local governments with increased resources, the need

for rate rises - and the amount of any rises - may be reduced. It would also be reasonable to expect services to improve and for ratepayers to get better value for their money.

Evidence from other States is that there is an overall benefit from more effective and efficient local governments. This is also expected to be one of the benefits of reform in Western Australia.

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## Naming rights

The question of names for the proposed new local governments is also a popular topic.

For practical purposes, the Metropolitan Local Government Review Panel used temporary names when it developed its report. These were based on the activity centres outlined by the WA Planning Commission's report *Directions 2031 and Beyond*.

Similarly, the Government does not plan to allocate names to the areas involved and will leave that for the new councils and their communities to determine.

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## Reform is wider than boundaries

Recent weeks have seen the reform focus clearly on proposals for changes to local government boundaries in and around Perth.

However, the reform initiative is much wider than this. The recommendation for boundary changes is just one of 30 made by the Metropolitan Local Government Review Panel which took into account social, environmental and financial considerations.

The structural reform proposal attracted most attention and the Government is acting on that. It is also closely examining the other recommendations.

The final decision on each recommendation in the report will be made with consideration taking in the submissions to the Panel, the feedback received during the public comment period, the Department of Local Government analysis of the proposals and consultation across Government.

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