



MINUTES

OF THE

SPECIAL MEETING OF COUNCIL

HELD ON

WEDNESDAY 2 OCTOBER 2013

AT 6.30PM IN THE COUNCIL CHAMBERS

MELVILLE CIVIC CENTRE

DISCLAIMER

PLEASE READ THE FOLLOWING IMPORTANT DISCLAIMER BEFORE PROCEEDING:

Any plans or documents in agendas and minutes may be subject to copyright. The express permission of the copyright owner must be obtained before copying any copyright material.

Any statement, comment or decision made at a Council or Committee meeting regarding any application for an approval, consent or licence, including a resolution of approval, is not effective as an approval of any application and must not be relied upon as such.

Any person or entity who has an application before the City must obtain, and should only rely on, written notice of the City's decision and any conditions attaching to the decision, and cannot treat as an approval anything said or done at a Council or Committee meeting.

Any advice provided by an employee of the City on the operation of written law, or the performance of a function by the City, is provided in the capacity of an employee, and to the best of that person's knowledge and ability. It does not constitute, and should not be relied upon, as a legal advice or representation by the City. Any advice on a matter of law, or anything sought to be relied upon as representation by the City should be sought in writing and should make clear the purpose of the request.

CONTENTS PAGE

	Item Description	Page Number
MANAGEMENT SERVICES		
M13/5320	Local Government Reform – Proposal to the Local Government Advisory Board	3

MINUTES OF THE SPECIAL MEETING OF THE COUNCIL HELD IN THE COUNCIL CHAMBERS, MELVILLE CIVIC CENTRE, 10 ALMONDBURY ROAD, BOORAGOON, COMMENCING AT 6.30PM ON WEDNESDAY, 2 OCTOBER 2013.

1. OFFICIAL OPENING

The Presiding Member welcomed those in attendance to the meeting and declared the meeting open at 6:30pm. Mr J Clark, Governance and Compliance Program Manager, read aloud the Disclaimer that is on the front page of these Minutes and then His Worship the Mayor, R Aubrey, read aloud the following Affirmation of Civic Duty and Responsibility.

Affirmation of Civic Duty and Responsibility

I make this Affirmation in good faith on behalf of Elected Members and Officers of the City of Melville. We collectively declare that we will duly, faithfully, honestly, and with integrity fulfil the duties of our respective office and positions for all the people in the district according to the best of our judgement and ability. We will observe the City's Code of Conduct and Standing Orders to ensure the efficient, effective and orderly decision making within this forum.

2. PRESENT

His Worship the Mayor R Aubrey

COUNCILLORS

Deputy Mayor Cr D Macphail
Cr A Nicholson
Cr C Robartson, Cr R Willis
Cr J Barton, Cr S Taylor-Rees
Cr R Hill, Cr R Kinnell
Cr M Reynolds
Cr N Pazolli (from 6.33pm)

WARD

City
City
Bull Creek/Leeming
Bicton/Attadale
Palmyra/Melville/Willagee
University
Applecross/Mount Pleasant

3. IN ATTENDANCE

Dr S Silcox	Chief Executive Officer
Mr M Tieleman	Director Corporate Services
Mr B Dawkins	A/Director Community Development
Mr J Christie	Director Technical Services
Mr S Cope	Director Urban Planning
Mr L Hitchcock	Executive Manager Legal Services
Mr J Clark	Governance & Compliance Program Manager
Ms J Paparella	Minute Secretary
Mr C Fitzhardinge	External Presenter

At the commencement of the meeting there were six members of the public and two members from the Press in the Public Gallery.

4. APOLOGIES AND APPROVED LEAVE OF ABSENCE**4.1 APOLOGIES**

Nil.

4.2 APPROVED LEAVE OF ABSENCE

Cr N Foxton – University Ward
Cr P Reidy – Applecross / Mount Pleasant Ward

**5. ANNOUNCEMENTS BY THE PRESIDING MEMBER (WITHOUT DISCUSSION)
AND DECLARATIONS BY MEMBERS****5.1 DECLARATIONS BY MEMBERS WHO HAVE NOT READ AND GIVEN
DUE CONSIDERATION TO ALL MATTERS CONTAINED IN THE
BUSINESS PAPERS PRESENTED BEFORE THE MEETING.**

Nil.

**5.2 DECLARATIONS BY MEMBERS WHO HAVE RECEIVED AND NOT READ
THE ELECTED MEMBERS BULLETIN.**

Nil.

6. QUESTION TIME

Mrs C Dunsire, Rossmoyne

Question

Various scenarios within Local Government Reform proposals, call for part or all of Riverton, Rossmoyne, Shelley & Willetton to form the Eastern boundary of the combined Fremantle/Melville Council.

Please outline what you see as the benefits that these changes will bring to the residents of these communities?

Response

The Chief Executive Officer, Dr Shayne Silcox responded by advising that he would not comment against a colleague Council or their staff as it is considered to be unprofessional. Dr Silcox then discussed factors worthy of note in relation to the City of Melville for the questioner's information and consideration:

- The City of Melville has 209 services that are public benefit tested.
- These services are offered to our citizens at high standards and service levels.
- The City of Melville is recognised by the World Health Organisation as an age friendly City which is one of only 30 organisations world wide. The City of Melville is an Australian leader in relation to age friendly services.
- The City has place making in place with our four neighbourhood arrangements where strategic plans are developed for each neighbourhood, specific to local community needs and desires.
- The City was recognised in 2019 as the world's most liveable City against 48 other countries under the United Nations International assessment system.
- In the same year the United Nations recognised the City of Melville as the most Sustainable City for a city our size.
- This Council is well resourced with key strategic drivers of business excellence and Customer service.
- The City has excellent governance with good governance structures in place and has never had Commissioners appointed.
- The City was ranked second in Financial Performance as assessed by the Independent Local Government Review Panel in 2012.
- The City was recognised as a Business Excellent organisation nationally against private and public organisations in 2012 against the seven categories; Leadership, Strategy and Planning, People, Data and Analysis, Customer, Community and Process Management.
- The Canning River Foreshore will all be under one large local government if the City's proposals for boundary change are accepted by the Government.
- The reformed local government will have a strong rates base mix if the reform is to occur as Melville requests.

- Dr Silcox advised that he did not consider there is going to be massive savings in the process because savings will be used to fund the amalgamation process. However in the longer term it is expected the overhead structures in the new enlarged City of Melville would be a better outcome for our communities with lower costs.
- The City is the current National Local Government customer service leader as recognised by the Customer Service Institute Australia. The City was the former leader in 2010.
- The City is also part of the Regional South West Zone and on this basis the City has a collegiate body which supports each other on regional issues, funding requests and Federal and State Government advocacy and lobbying
- The City is the leader in the State in relation to diversion of waste from land fill, noting that Canning was a member before terminating the Deed.

Dr Silcox advised that he had given Mrs Dunsire his business card if she wishes to discuss the matter further in person.

Dr Silcox commented that he has only talked about the benefits of being a Melville resident or ratepayer. He advised that he is not against colleagues in neighbouring local governments, who are respected.

7. DECLARATIONS OF INTEREST

7.1 FINANCIAL INTERESTS

Nil.

7.2 DISCLOSURE OF INTEREST THAT MAY CAUSE A CONFLICT

Nil.

8. APPLICATIONS FOR NEW LEAVES OF ABSENCE

At 6.36pm Cr Willis moved, seconded Cr Kinnell –

That the application for a new leave of absence submitted by His Worship the Mayor on 2 October be granted.

At 6.37pm the Mayor submitted the motion which was declared

CARRIED UNANIMOUSLY (11/0)

9. IDENTIFICATION OF MATTERS FOR WHICH MEETING MAY BE CLOSED

Nil.

At 6.41pm moved Cr Macphail, seconded Cr Willis

That the City of Melville Standing Orders Local Law 2003 clause 9.5, Limitation of Number of Speeches, be suspended to permit discussion on the report before the Council.

At 6.41pm the Mayor submitted the motion which was declared

CARRIED UNANIMOUSLY (11/0)

At 7.14pm Cr Macphail left the meeting and returned at 7.16pm.

At 7.56pm Cr Pazolli left the meeting and returned at 7.58pm.

At 8.07pm His Worship the Mayor adjourned the meeting for a break and requested the meeting return at 8.13pm.

At 8.13pm the meeting resumed.

At 8.13pm Cr Robartson moved, seconded Cr Kinnell -

That the City of Melville Standing Orders Local Law 2003 be resumed.

For: Mayor Aubrey, Cr Barton, Cr Hill, Cr Kinnell, Cr Macphail, Cr Nicholson, Cr Pazolli, Cr Reynolds, Cr Robartson, Cr Taylor-Rees, Cr Willis.

Against: Nil.

At 8.15pm the Mayor submitted the motion which was declared

CARRIED UNANIMOUSLY (9/0)

At 8.16pm Cr Willis & Cr Reynolds returned to the meeting.

10. REPORTS OF THE CHIEF EXECUTIVE OFFICER

M13/5320 – LOCAL GOVERNMENT REFORM – PROPOSAL TO THE LOCAL GOVERNMENT ADVISORY BOARD (REC) (ATTACHMENT)

Ward	: All
Category	: Strategic
Subject Index	: Local Government Reform - Submission to the Local Government Advisory Board
Customer Index	: Local Government Reform
Disclosure of any Interest	: No Officer involved in the preparation of this report has a declarable interest in this matter.
Previous Items	: M13/5313 Local Government Reform – Submission to the Local Government Advisory Board - Ordinary Meeting of Council - 20 August 2013
Works Programme	: Not Applicable
Funding	: Not Applicable
Responsible Officer	: Dr Shayne Silcox Chief Executive Officer

AUTHORITY / DISCRETION

DEFINITION

<input checked="" type="checkbox"/>	Advocacy	<i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input type="checkbox"/>	Executive	<i>The substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>When the Council operates as a review authority on decisions made by Officers for appeal purposes.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>
<input type="checkbox"/>	Information	<i>For the Council/Committee to note.</i>

M13/5320 – LOCAL GOVERNMENT REFORM – PROPOSAL TO THE LOCAL GOVERNMENT ADVISORY BOARD (REC) (ATTACHMENT)**KEY ISSUES / SUMMARY**

- On the 30 July 2013 the Premier of Western Australia announced proposals to amalgamate several local governments across Metropolitan Perth.
- The proposed model announced included the proposal that 30 metropolitan local governments were to be reduced to 14 by July 2015.
- The model includes the proposal that the City of Melville amalgamates with the City of Fremantle (excluding North Fremantle), Town of East Fremantle and a portion of the City of Canning (the Reform Partners).
- Proposals, with the Government's announced merger proposals in mind, are required to be submitted to the Local Government Advisory Board (LGAB) by 4 October 2013.
- If the City of Melville, together with its announced "Reform Partners", or alone, has not by 4 October 2013 lodged a merger proposal, or has lodged a proposal that is inconsistent with the Government model, the Minister may lodge a proposal on behalf of the reform partners or local government.
- The new local governments are to come into being on 1 July 2015.
- Elections for the new Councils are to be held in October 2015 with Commissioners being appointed for the intervening period.
- This report and attached submissions present various scenarios that recommend a staged implementation of boundary changes, which when concluded will result in a new local government authority incorporating the Cities of Fremantle (Excluding North Fremantle) and Melville, parts of Canning and Cockburn and the whole of the Town of East Fremantle.
- This report recommends that Council resolves to submit that the boundaries of the City of Melville are extended in two phases;
 - 1 Phase one is the inclusion of the whole of the Town of East Fremantle and parts of the Cities of Canning and Cockburn; and
 - 2 Phase two is the inclusion of part of the City of Fremantle (excluding North Fremantle) and a small area of Cockburn adjacent to South Fremantle.

BACKGROUND

The Final Report by the Independent Local Government Review Panel, the Metropolitan Local Government Review Report (MLGRR), released in July 2012, made 30 recommendations with respect to Local Government Reform in metropolitan Perth. Recommendation 15 stated as follows:

- "15. A new structure of local government in metropolitan Perth be created through specific legislation which:*
- a) incorporates all of the Swan and Canning Rivers within applicable local government areas*
 - b) transfers Rottnest Island to the proposed local government centred around the City of Fremantle*
 - c) reduces the number of local governments in metropolitan Perth to 12, with boundaries as detailed in Section 5 of this report."*

M13/5320 – LOCAL GOVERNMENT REFORM – PROPOSAL TO THE LOCAL GOVERNMENT ADVISORY BOARD (REC) (ATTACHMENT)**BACKGROUND (Contd.)**

Section 5 of the MLGRR identified two options. Option A involved amalgamating Fremantle, East Fremantle and Melville in their entirety. Option B (the Panel's preferred option) involved amalgamating Fremantle (less part North Fremantle), East Fremantle, most of Melville (excluding the suburbs of Leeming and Bull Creek east of the Kwinana Freeway) and part of Cockburn (Coolbellup, North Lake and part of Hamilton Hill).

On 30 July 2013 the State Government (Government) announced its response to the MLGRR. It announced plans to amalgamate local governments across metropolitan Perth resulting in a reduction in the number from 30 to 14. The Premier said that as Perth grew, it was essential that local governments merged and strengthened to meet development challenges and provide quality and affordable services for residents now and into the future.

The Premier also said that the changes were about creating stronger local governments and putting downward pressure on rates. The Minister for Local Government; Community Services; Seniors and Volunteering; and Youth (the Minister), directed that reform proposals by all affected Local Governments were to be submitted to the Local Government Advisory Board (LGAB) by 4 October 2013.

The Government's proposal for the City of Melville is that it be amalgamated with the City of Fremantle (without the residential area of North Fremantle), the Town of East Fremantle and a portion of the City of Canning.

A copy of a map depicting the Government's proposal for the amalgamated area of Melville, Fremantle, East Fremantle and portions of Canning, is attached.

1. [5320 Map of State Government Model](#)

Local Governments have until 4 October 2013 to lodge merger proposals with the LGAB. After 4 October 2013, if Local Governments have not lodged a merger proposal, the Minister may (and has indicated he will) do so on their behalf resulting in the local governments losing control of the process which would not be in the best interests of our communities.

If Local Governments merger proposals do not fit in with the Government's preferred model, the Minister has stated that he will put forward a counter proposal to the LGAB.

Whilst it is preferable for the Government's nominated "Reform Partners" to submit their reform proposals jointly, due to the absence of agreement with our "Reform Partners", the City of Melville has decided to make its own "conforming" submission/proposal.

The City of Fremantle has notified that it will be making a "non-conforming" proposal in its own right which will include amalgamating with the Town of East Fremantle and seeking boundary changes with the City of Melville to make Stock Road the boundary. This would result in the City of Melville losing the suburbs of Palmyra and Bicton and the small proportion of the O'Connor commercial/industrial area including that area which lies to the west of Stock Road, but is currently in the City of Melville. In return the City of Melville would gain the parts of the O'Connor commercial/industrial area that lies east of Stock Road and

M13/5320 – LOCAL GOVERNMENT REFORM – PROPOSAL TO THE LOCAL GOVERNMENT ADVISORY BOARD (REC) (ATTACHMENT)**BACKGROUND (Contd.)**

the suburb of Samson. This outcome would see the City of Melville worse off with the City incurring a potentially significant loss of revenue. If such a proposal was to be accepted by the LGAB and Government the City of Melville would need to seek other boundary changes which would offset this loss of revenue.

The Town of East Fremantle, whilst not in favour of amalgamation with any other local governments, took the position of engaging with both the Cities of Melville and Fremantle for the purposes of assessing which, if any, they would eventually support.

DETAIL

The Government's response to recommendation 15 of the MLGRR is that they want to see the number of local governments in the Perth metropolitan area reduced from 30 to 14. The boundaries the Government has drawn, which incorporate the City of Melville, is an amalgam of the Option A and B outlined in the MLGRR. Their proposal incorporates all of the current City of Melville with the Town of East Fremantle, the City of Fremantle (excluding North Fremantle except for the port facilities north of port/river) and parts of the City of Canning. The City of Melville (the City) has identified some anomalies with the Government's proposal/map (Map). Their map splits residential suburbs between the Cities of Melville/Fremantle, Canning/Gosnells and Cockburn/Kwinana. This is not a desirable outcome for various reasons as detailed in the attached submissions. These anomalies have therefore been addressed in the City's submissions and the City's proposed map attached to this report.

The Government, through the Minister, has invited submissions be made to the LGAB which address the Government's stated objective of reducing the number of local government authorities (LGAs) in the Perth Metropolitan area to 14. The Department of Local Government and Communities (the Department) has made grant funding of up to \$200,000 available to local government. This is intended to cover the costs of local governments making a proposal to the LGAB in accordance with the Government's model, establishing a Local Implementation Committee, and undertaking preliminary implementation planning, subject to the terms and conditions of the Grant Agreement. The Department has clarified that LGAs can address minor anomalies which they identify, and that this would not render a submission non-compliant. The Minister has also made it clear that in the event an LGA decides to not make a submission, or make submissions different to those supported by the Government, then not only will they not be eligible for the grant funds, but the Minister will use the powers available to him in the Local Government Act 1995 to make his own submissions.

The City of Melville's Submissions

The detail of the City's submissions will not be repeated in this report as they are contained in the attached submissions.

It is important to note that the submissions are being made to the LGAB not the Government, the Minister, or the Department. As such the content and format must address the requirements of submissions being made to the LGAB as contained in Schedule 2.1 of the Local Government Act 1995 (the Act).

M13/5320 – LOCAL GOVERNMENT REFORM – PROPOSAL TO THE LOCAL GOVERNMENT ADVISORY BOARD (REC) (ATTACHMENT)**DETAIL (Contd.)**

Despite the Government's wishes or the offer of grant funding the Council of the City of Melville must make its own decisions as to:

1. whether or not it considers it in the best interests of the City's electors, ratepayers and residents to make a submission; and
2. whether or not that submission should be compliant with the Government's preferred option, or make a submission which varies from that.

When making the assessment of what would be in the best interests of the City's electors, ratepayers and residents the Council will need to consider the principles set in Schedule 2.1 (5) (2) of the Act that guide the LGAB when making their assessment of proposals. These are:

1. community of interests; and
2. physical and topographic features; and
3. demographic trends; and
4. economic factors; and
5. history of the area; and
6. transport and communication; and
7. matters affecting the viability of local governments; and
8. the effective delivery of local government services.

The above list does not limit the LGAB into taking into consideration other matters.

The City's attached submissions have been prepared using the above principles. These submissions therefore, represent a position that is considered to be in the best interest of the City of Melville's electors, ratepayers and residents.

In addition to the above matters, officers have considered the implications of not taking the opportunity to make a submission. Should the City not do so it would lose any control it currently has over the reform process and therefore the eventual outcome. Officers do not believe this would be in the best interests of the City's electors, ratepayers and residents. It appears that due to current powers available to the Government and the Minister, as well as proposed amendments which appear likely to be passed by parliament in 2013, it is likely that the changes announced by the Government will be capable of being implemented by them without the consent of the City.

Summary of Proposals

Proposal - Phase 1 includes incorporating the following areas into the City of Melville by way of boundary changes:

- the Town of East Fremantle
- the complete suburbs Rossmoyne, Shelley, Willetton and Riverton from the City of Canning
- the areas of the suburb of Leeming not currently in the City of Melville from the Cities of Canning and Cockburn
- the Jandakot Airport and the small section of Canning Vale abutting the City of Melville's current boundary with the City of Canning east of Roe Highway along Clifton Road, north east along the Kewdale/Fremantle Railway line to Ranford Road, west along Ranford Road to the intersection with Roe Highway and south west along Roe Highway back to Clifton Road.

M13/5320 – LOCAL GOVERNMENT REFORM – PROPOSAL TO THE LOCAL GOVERNMENT ADVISORY BOARD (REC) (ATTACHMENT)**DETAIL (Contd.)****Staging**

The City's proposals recommend that the adjustments of the boundaries of the City of Melville be made in a staged process.

The complexity of undertaking the full extent of amalgamation promoted by the Government should not be underestimated. Amalgamations and boundary changes consume considerable resources as they involve every aspect of the organisation.

The benefits of a staged process are as follows:

- Enables boundary changes to occur rather than amalgamations. This means that continuity of services to the community can be more easily maintained, the Council and officer positions can be retained and commissioners will not need to be appointed. Existing Elected Members will therefore be able to guide the transition.
- If the full extent of the changes is undertaken over the period of 12 to 15 months that will be available to the City once the LGAB releases the results of its inquiries, there will be considerable disruption and the need to employ a large team of consultants and temporary staff to implement the change. A staged implementation will enable the level of resources required to be reduced.
- Learning's from the first phase of the process will be very valuable in informing the second phase. There will be more opportunity to gain an understanding of the new locations so their needs are understood. The level of risk of this very large change process is therefore reduced.

Proposed Responses to Alternative Submissions from Neighbouring Councils

Two of the City's nominated "Reform Partners", the Cities of Fremantle and Canning, have announced they will be putting in non-conforming proposals.

The City of Fremantle's proposal with regards to its boundaries with the City of Melville is to re-draw the boundary along Stock Road extending from the Swan River to Winterfold Road in Samson. This will result in the loss from Melville of the suburbs of Bicton and Palmyra with Melville to gain the suburb of Samson and the part of O'Connor commercial/industrial area east of Stock Road. This equates to a net loss of revenue to the City of Melville of approximately **\$8.5 million** or 11.25% of the City's revenue from Rates and Service Charges.

The City of Canning's proposal with regards to its boundaries with the City of Melville differ to the State Governments Blueprint in that it wishes to retain the suburbs of Rossmoyne, Shelley, Riverton and Willetton. It is however in conformance with both the Governments Blueprint and the City of Melville's proposal in that it proposes to transfer the small part of the suburb of Leeming currently in Canning to Melville.

In the event the non-conforming proposals from Fremantle and Canning were to be accepted by the LGAB or Government, as a result of the loss of revenue and the inability to achieve increased economies of scale when compared to the State Governments Blueprint and the City of Melville's proposal, this would have a major detrimental impact on the remaining electors, ratepayers and residents of the City of Melville.

M13/5320 – LOCAL GOVERNMENT REFORM – PROPOSAL TO THE LOCAL GOVERNMENT ADVISORY BOARD (REC) (ATTACHMENT)**DETAIL (Contd.)**

As the eventual outcome for the City of Melville remains unclear two further boundary change options are suggested in order to provide a contingency against any of the alternative submissions being put forward by the Cities of Fremantle or Canning being accepted.

Should the City of Fremantle's non-conforming proposal be accepted it is proposed that further boundary changes in an eastwards direction into the City of Canning be sought. This is identified on the City's Boundary Review Map as Proposed Option A. It would add the suburb of Parkwood from the City of Canning and the Canning Vale commercial/industrial area. Officers have been unable to obtain the necessary data from the City of Canning in order to make a detailed analysis of the revenues and expenses associated with this option. Parkwood has a residential population of approximately 6,130, approximately 2,535 residential properties and the Riverton Forum shopping centre. Community facilities appear to include three major parks, a small community hall and the Whaleback Public Golf Course.

Estimated revenue is \$3.8 Million from the residential properties. Estimated revenue from other rateable properties is \$450,000. The City of Canning's 2010/2011 budget shows that the Whaleback Public Golf Course was expected to return net revenue of approximately \$400,000 after depreciation, or \$585,000 cash inflow after backing out the depreciation non-cash amount. Total revenue expected to be received is in the order of \$4.835 million.

In addition to the maintenance of the road and drainage infrastructure; expenditure would be incurred on the maintenance of the parklands. No revenue or expenditure data is available for the Canning Vale commercial/industrial area. It is clear however that should the City of Melville incur a revenue loss of \$8.5 million as a result of the transfer to Fremantle of the suburbs of Palmyra and Bicton, substantial additional revenue of approximately \$4.8 million from Parkwood would be required. It is anticipated that the Canning Vale commercial/industrial area would provide this.

A further option is to seek a boundary change to bring the residential suburbs of North Lake, Bibra Lake and Coolbellup, and the commercial/industrial area of Bibra Lake/Hamilton Hill/Spearwood, into the City of Melville. The Kewdale to Fremantle Railway line would form the southern boundary from South Street/Ranford Road through to Stock Road. The Rates and Service Charges revenue that would be obtained from the residential properties in these areas would be approximately \$5 million. Significant roads infrastructure expenditure would however be incurred as would the large public open space and wetland areas of North Lake, Bibra Lake and South Lake. As a result the Rates and Service Charges revenue that would be obtained from the Bibra Lake/Hamilton Hill/Spearwood commercial/industrial areas would be required to defray these expenses.

The third nominated "Reform Partner" the Town of East Fremantle have stated that, whilst their position is not to be amalgamated with any other LGA, should it be forced upon them they are reserving their judgement at this time as to whether their preference would be to merge with the City of Fremantle or the City of Melville. They have previously indicated that they would favour a merger with Fremantle rather than Melville.

M13/5320 – LOCAL GOVERNMENT REFORM – PROPOSAL TO THE LOCAL GOVERNMENT ADVISORY BOARD (REC) (ATTACHMENT)**DETAIL (Contd.)**

As the eventual outcome for the City of Melville remains unclear two further boundary change options are suggested in order to provide a contingency against any of the alternative submissions being put forward by the Cities of Fremantle or Canning being accepted.

Should the City of Fremantle's non-conforming proposal be accepted it is proposed that further boundary changes in an eastwards direction into the City of Canning be sought. This is identified on the City's Boundary Review Map as Proposed Option A. It would add the suburb of Parkwood from the City of Canning and the Canning Vale commercial/industrial area. Officers have been unable to obtain the necessary data from the City of Canning in order to make a detailed analysis of the revenues and expenses associated with this option. Parkwood has a residential population of approximately 6,130, approximately 2,535 residential properties and the Riverton Forum shopping centre. Community facilities appear to include three major parks, a small community hall and the Whaleback Public Golf Course.

Estimated revenue is \$3.8 Million from the residential properties. Estimated revenue from other rateable properties is \$450,000. The City of Canning's 2010/2011 budget shows that the Whaleback Public Golf Course was expected to return net revenue of approximately \$400,000 after depreciation, or \$585,000 cash inflow after backing out the depreciation non-cash amount. Total revenue expected to be received is in the order of \$4.835 million.

In addition to the maintenance of the road and drainage infrastructure; expenditure would be incurred on the maintenance of the parklands. No revenue or expenditure data is available for the Canning Vale commercial/industrial area. It is clear however that should the City of Melville incur a revenue loss of \$8.5 million as a result of the transfer to Fremantle of the suburbs of Palmyra and Bicton, substantial additional revenue of approximately \$4.8 million from Parkwood would be required. It is anticipated that the Canning Vale commercial/industrial area would provide this.

Should the City of Canning be successful in their quest to obtain the suburbs of Bull Creek and Leeming from the City of Melville, Option B proposes additional boundary changes to the south with the City of Cockburn. This would bring the residential suburbs of North Lake, Bibra Lake and Coolbellup, and the commercial/industrial area of Bibra Lake/Hamilton Hill/Spearwood, into the City of Melville. The Kewdale to Fremantle Railway line would form the southern boundary from South Street/Ranford Road through to Stock Road. The Rates and Service Charges revenue that would be obtained from the residential properties in these areas would be approximately \$5 million. Significant roads infrastructure expenditure would however be incurred as would the large public open space and wetland areas of North Lake, Bibra Lake and South Lake. As a result the Rates and Service Charges revenue that would be obtained from the Bibra Lake/Hamilton Hill/Spearwood commercial/industrial areas would be required to defray these expenses and the net revenue loss of \$4 million arising from the transfer of Bull Creek and Leeming to the City of Canning.

The third nominated "Reform Partner" the Town of East Fremantle have stated that, whilst their position is not to be amalgamated with any other LGA, should it be forced upon them they are reserving their judgement at this time as to whether their preference would be to merge with the City of Fremantle or the City of Melville. They have previously indicated that they would favour a merger with Fremantle rather than Melville.

M13/5320 – LOCAL GOVERNMENT REFORM – PROPOSAL TO THE LOCAL GOVERNMENT ADVISORY BOARD (REC) (ATTACHMENT)**DETAIL (Contd.)****Proposal to Address Differing Communities of Interest**

The City uses an asset based community development model that views places, different groups, facilities and people as assets in a community context. This approach underpins our neighbourhood/place based approach that recognizes neighbourhoods are different. This is reflected in our Neighbourhood Plans which acknowledge we require different responses in different neighbourhoods to community issues.

In a sequential boundary adjustment process the City would use these approaches to recognise diversity in communities; respect these differences; map current community assets; and work to strengthen such community assets to build community capacity.

The City identifies and recognises community hub locations that are key places in each neighbourhood. In an amalgamation context the City would determine and identify new community hubs respecting functions that already exist in different neighbourhoods. In a larger geographical municipality it will be preferable that the City's Customer Service be available from community hub locations providing easy access to Council services at convenient and recognised locations. This place-based service delivery would serve to also enhance the connections within different neighbourhoods.

Critical to any community change process is effective community engagement. The City has a well developed stakeholder management approach which will ensure we listen to any community concerns, keep them informed, and involve them where appropriate in developing response to any issues of concern.

PUBLIC CONSULTATION/COMMUNICATION

Whilst no public consultation has been carried out specific to this report, consultation has been carried out over a number years since it was first undertaken for the 2009 submission to the LGAB. The low numbers of respondents to surveys and requests for comments made to the City as a result of this consultation would indicate that it is not a matter which the majority of the community see as being overly important to them. Comments made vary between support for or opposition to boundary changes and no clear conclusions can be effectively drawn from survey results.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

The Chief Executive Officer has met with other Reform Partner Chief Executive Officers to explore some of the opportunities and understand the challenges that lie ahead for the four Local Governments.

A Memorandum of Understanding (MOU) has been drafted for signing by the Reform Partners. The purpose of this MOU is to outline the general approach, lines of communication and commitments for the "Reform Partners" in the process of reform leading up to the stage of submission of the reform proposal, on 4 October 2013. The submission of the reform proposal by the "Reform Partners" may be jointly or individually.

M13/5320 – LOCAL GOVERNMENT REFORM – PROPOSAL TO THE LOCAL GOVERNMENT ADVISORY BOARD (REC) (ATTACHMENT)**CONSULTATION WITH OTHER AGENCIES / CONSULTANTS (Contd.)**

The MOU also considers the communication and commitments of the “Reform Partners” in the period after 4 October. The Town of East Fremantle resolved on 20 August 2013 to sign the MOU however to date the City of Fremantle, whilst previously indicating they would sign, have not done so.

Meetings have also been held with the Minister and staff of the Department of Local Government and Communities.

STATUTORY AND LEGAL IMPLICATIONS

Schedule 2.1 of the Local Government Act 1995 sets out the form and content to be adhered to when LGA's make submissions to the LGAB.

Section 2.8 (1) of the Local Government Act 1995 states that:

“The mayor or president — (b) provides leadership and guidance to the community in the district; ...”

Section 2.10 of the Local Government Act 1995 states that :

*“A councillor — (a) represents the interests of electors, ratepayers and residents of the district; and
(b) provides leadership and guidance to the community in the district; ...”*

Section 3.1 of the Local Government Act 1995 states that:

“(1) The general function of a local government is to provide for the good government of persons in its district.”

The Government plans to seek a number of amendments to the *Local Government Act 1995* as part of the reform program. This includes changes that would modify the poll provisions in relation to metropolitan local governments. They will also be amending legislation to increase the membership of the LGAB and to ensure that the LGAB can assess submissions as a whole rather than the current limitation it has in assessing each submission individually.

Boundary changes as proposed in the City of Melville's submissions can be effected using the legislation as it currently stands.

The clauses in Schedule 2.1 of the Local Government Act 1995 and in particular clause 8 has been subject to a legal opinion obtained by the Local Government Advisory Board. The text of the opinion is not available to the City but can be paraphrased as below:

If Local Government A proposes to subsume Local Government B as a boundary change and the Local Government Advisory Board makes a recommendation to the Minister in favour of the proposal, the provisions of clause 8 of Schedule 2.1 do not apply as there is only one Local Government being abolished and as a consequence, the electors of Local

Government B do not have the right to request that the Minister put the recommendation to a poll. This poll is at the Minister's discretion and is not binding. It was only included in the Local Government Act 1995 to assist the Minister in making a decision about a proposal but it has never been used.

M13/5320 – LOCAL GOVERNMENT REFORM – PROPOSAL TO THE LOCAL GOVERNMENT ADVISORY BOARD (REC) (ATTACHMENT)**STATUTORY AND LEGAL IMPLICATIONS (Contd.)**

In this context, a change of boundaries that involves part of or another Local Government or an entire local government does not invoke the poll provisions. Should a district boundary change involve the abolition of two or more districts and their inclusion into another district, a poll may be requested by the affected electors in these circumstances.

FINANCIAL IMPLICATIONS

The total cost of the amalgamation process is not known at this time.

The Government will provide \$200,000 upfront to each merging group in order that Councils can:

1. Collect data
2. Develop proposal to LGAB
3. Form a governance and management structure

It is envisaged that most of the work relating to meetings and structure and the submission itself, will be done using existing available resources of the City.

Further funding to assist with the actual amalgamation/boundary changes will be announced later by the Government. The Government have indicated that any savings achieved from amalgamations or boundary changes will first be offset against the costs of undertaking the process prior to the Government providing any additional funding.

On-going financial implications for the City are not known at this time.

It is not expected that rate reductions (if any) will result from this process until all the costs of undertaking the amalgamation or boundary change process are recouped. That is not expected to occur for at least five years.

Savings will potentially be achieved over the longer term as a result of realising economies of scale and the review and consolidation of facilities, assets or services.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**Strategic Implications**

The following strategic implications may apply:

- Council must be proactive or the Government will impose its position on the amalgamation proposal.
- This is an opportunity to identify the most logical and effective boundaries and put this position to the Local Government Advisory Board.
- If the Council does not fully engage in the process the ability to effect boundary changes, rather than an amalgamation, and steer the process will be lost. It may also result in a Commissioner being appointed.
- It is an opportunity to balance more fairly the rate based mix of the City of Melville which currently is heavily biased towards residential (73%).
- This is an opportunity to ensure the merged new entity is more sustainable in the longer term.

M13/5320 – LOCAL GOVERNMENT REFORM – PROPOSAL TO THE LOCAL GOVERNMENT ADVISORY BOARD (REC) (ATTACHMENT)

Risk Implications

It is not possible to determine the full extent of the risks this process entails for the City of Melville as it currently exists.

The following risk implications may apply:

- The effect on the communities of each Local Government is yet to be determined and will require a sound engagement plan to keep the whole community informed to reduce any misinformation.
- Strong and comprehensive leadership will be required to give confidence to the whole community that the outcome will provide benefits.

Risk Statement	Level of Risk	Risk Mitigation Strategy
As a result of the proposed amalgamation, the effect on the communities of each Local Government is yet to be determined and this may cause some concern in the future.	Moderate consequences which are likely, resulting in a High level of risk.	Establish a strong and comprehensive leadership to give confidence to the whole community that the outcome will provide benefits. Adopt a sensible approach to such matters but not limited to Contract, Employment and Financial Management in order to attain the best value and least loss for the community.

POLICY IMPLICATIONS

There is no Council Policy that relates to this item albeit the attached submissions (except for the changes with respect to the City of Fremantle and Town of East Fremantle) are consistent with previous submissions adopted by the Council.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Council may resolve not to lodge a submission, however, after 4 October 2013, if the Council has not lodged a merger proposal, the Minister has clearly stated that he will do so on Council's behalf.

Council may resolve to undertake the proposed changes in one phase. This will require additional resources and will increase the complexities and risk associated with the proposed changes. It will also mean that the elected Council of the City of Melville will be replaced by Commissioners appointed by the Minister in July 2015.

M13/5320 – LOCAL GOVERNMENT REFORM – PROPOSAL TO THE LOCAL GOVERNMENT ADVISORY BOARD (REC) (ATTACHMENT)**ALTERNATE OPTIONS AND THEIR IMPLICATIONS (Contd.)**

Should the Local Government Advisory Board or Minister accept proposal/s from other local governments which impinge on the City of Melville's current boundaries, then the City of Melville's proposals would need to be varied to ensure that the electors, ratepayers and residents of the City of Melville are not disadvantaged by those proposals. Proposal 3 and map Options A and B are examples of how this may be addressed.

CONCLUSION

When assessed against the criteria set out in Schedule 2.1 Clause (5) (2) of the Local Government Act 1995, it is considered that the proposals for local government boundaries as published by the Government/Minister on 30 July 2013 are in the best interest of the City of Melville's electors, ratepayers and residents.

It is therefore recommended that the City make a submission/s to the LGAB being in the form of a boundary change proposal which largely complies with the Government's/Minister's maps.

The City's proposal identifies and addresses anomalies contained within the Government's/Minister's maps. The Government's/Minister's maps show the suburbs of Leeming, Willetton and Riverton as being split between different local governments. The City requests that the entire suburbs of Leeming, Willetton and Riverton be placed within the district of the City of Melville.

The boundary change process requires excellence in due diligence processes as it will be an extremely complex process. Due diligence will require an examination by the composite local governments of the operations of the local governments with which we are being amalgamated (in whole or, particularly, in part), to identify critical issues, problems and minimise exposure to risks.

A staged implementation is recommended as it will involve less disruption, will enable the elected Council of the City of Melville to continue and will assist with maintaining a strong focus on achieving a seamless service delivery during the process.

It is recommended that the attached proposal/s supporting the proposed boundary changes between the City of Melville, the City of Fremantle, Town of East Fremantle and portions of the Cities of Canning and Cockburn be lodged with the Local Government Advisory Board.

M13/5320 – LOCAL GOVERNMENT REFORM – PROPOSAL TO THE LOCAL GOVERNMENT ADVISORY BOARD (REC) (ATTACHMENT)**OFFICER RECOMMENDATION & COUNCIL RESOLUTION (5313)****APPROVAL**

At 8.13pm moved Cr Robartson, seconded Cr Macphail -

That the Council resolves as follows:

- 1 The City of Melville being an affected local government within the meaning the Schedule 2.1 of the Local Government Act 1995 (the Act), resolves to submit a proposal [5320 LGAB Proposal Phase 1](#) to the Local Government Advisory Board, pursuant to clause 2 (1) of Schedule 2.1 of the Act, that orders be made by the Governor under Section 2.1 of the Act which would:
 - (a) abolish the district of the Town of East Fremantle;
 - (b) vary the boundary of the district of the City of Melville so as to include within it, the area of the former district of the Town of East Fremantle; and
 - (c) further vary the boundary between the district of the City of Melville, as so constituted, and the district of the City of Canning in accordance with the attached map [5320 Melville Boundary Proposal Map](#) illustrating the proposed changes as Phase 1; and
 - (d) further vary the boundary between the district of the City of Melville, as so constituted, and the district of the City of Cockburn in accordance with the attached map [5320 Melville Boundary Proposal Map](#) illustrating the proposed changes as Phase 1;with effect from 1 July 2015.
- 2 The City of Melville being an affected local government within the meaning the Schedule 2.1 of the Local Government Act 1995 (the Act), resolves to submit a further proposal [5320 LGAB Proposal Phase 2](#) to the Local Government Advisory Board, pursuant to clause 2 (1) of Schedule 2.1 of the Act that, in addition to proposal 1 above, orders be made by the Governor under Section 2.1 of the Act which would change the boundaries of the district of the City of Melville and the City of Fremantle in accordance with the attached map [5320 Melville Boundary Proposal Map](#) illustrating the proposed changes to those boundaries as Phase 2 with effect from 1 July 2017.
- 3 That should the Local Government Advisory Board or Minister accept proposal/s from other local governments which differ from the Government's maps and the City of Melville's identified anomalies, then the City of Melville's above proposals would need to be varied with continued consideration of the interests of the electors, ratepayers and residents of the City of Melville and ensure that they are not disadvantaged by those proposals. [5320 LGAB Proposal 3](#) and [5320 Melville Boundary Proposal 3 Map](#)

At 8.49pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY (11/0)

**M13/5320 – LOCAL GOVERNMENT REFORM – PROPOSAL TO THE LOCAL
GOVERNMENT ADVISORY BOARD (REC) (ATTACHMENT)****11. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil

**12. MOTIONS WITHOUT NOTICE BY ABSOLUTE MAJORITY OF THE COUNCIL
NIL****13. CLOSURE**

There being no further business to discuss the Mayor declared the meeting closed at 8.55pm.