

Contents

Letter of Transmittal	iii
Executive Summary	xvii
Recommendations	xxv
1 Introduction	1
a) Terms of Reference – Structural Reform	1
b) Terms of Reference – Electoral Reform	1
c) Terms of Reference – Consultation	2
d) Terms of Reference – Reporting Date	2
1.1 Establishment of the Local Government Advisory Board	3
1.2 Consultation	3
1.3 Vision for local government structural reform	4
2 Role of Local Government	4
2.1 Roles and functions	5
3 Local Government Operating Environment	7
4 Sustainability of Communities	11
4.1 State sustainability strategy	12
4.2 State sustainability goals and priority issues for Government	15
4.3 Sustainability assessment	16
4.4 Financial sustainability of local government	22
4.5 Organisational or corporate sustainability	25
4.6 Population sustainability	27
4.7 Community sustainability	27
5 Sustainability Issues for Local Government	29
5.1 Financial sustainability of WA local governments	29
5.2 Population sustainability of WA local governments	33
6 Guiding Principles for Structural Reform	38
6.1 The views of local governments on the Board's guiding principles	39
6.2 Comment regarding submissions received by the Board	43
7 The Need for and Objectives of Structural Reform	43
7.1 A brief history of local government boundaries	43
7.2 The current structure of local government in Western Australia	46
7.3 Structural reform in Australia	49
7.4 The need for and objectives of structural reform	51
8 Options for Structural Reform	53
8.1 Existing small local governments	54
8.2 Resource sharing	56
8.3 Regional organisations of councils	60
8.4 Area integration / joint Board model	72
8.5 Virtual local government	75

8.6 Agency model	76
8.7 Amalgamated large local governments	77
8.8 Major boundary change	86
8.9 Community consultation mechanisms	88
8.10 Recommendation 1.18	92
9 Impediments to Structural Reform and Processes to be Adopted to Facilitate Structural Reform	93
9.1 Terms of reference	93
9.2 Issues raised in submissions	93
9.3 Issues from the Board's experience of undertaking inquiries	94
9.4 Addressing the issues	94
9.4.1 Legislation	94
Recommendations 1.19, 1.20	99
(i) Amending proposals	99
Recommendation 1.21	101
(ii) Consequential proposals	101
Recommendation 1.22	102
9.4.2 Assistance: financial and non-financial	102
Recommendation 1.23	103
9.4.3 Impacts on the community	103
Recommendation 1.24	105
9.4.4 Regional local governments	107
Recommendation 1.25	107
Recommendation 1.26	108
9.4.5 Conduct of early elections	108
Recommendation 1.28	109
9.4.6 Retention of staff for two years following an amalgamation	109
Recommendation 1.29	110
10 Implementation of Reforms	110
10.1 Funding	110
11 Specific Reforms for WA Local Government – Amalgamations	113
11.1 Regional centres and local governments in rural Western Australia	113
11.2 Creation of a metropolitan Perth local government	115
12 Recommendations for Specific Areas	118
12.1 Metropolitan Perth	118
Recommendations 1.1, 1.2	118
12.2 Regional centres	118
Recommendations 1.3, 1.4, 1.5	119
Recommendations 1.6, 1.7, 1.8, 1.9	120
12.3 Further research and analysis via formal enquiries	121
Recommendation 1.13	121
Recommendations 1.14, 1.15, 1.16, 1.10	122
Recommendations 1.12, 1.17	123
13 Specific Reforms for WA Local Government – Other Options	123
13.1 Specific Recommendations	123
13.1.1 Wheatbelt Region	124
13.1.2 Great Southern Region	124
13.1.3 Peel Region	125

13.1.4 South West Region	125
13.1.5 Goldfields-Esperance Region	125
13.1.6 Mid West Region	126
13.1.7 Gascoyne Region	126
13.1.8 Pilbara and Kimberley Regions	127
13.1.9 Metropolitan Region	127
Recommendation 1.27	128
13.2 Boundary changes	128
13.3 Community consultation mechanisms	128
Recommendation 1.18	129
14 Other Considerations	130
14.1 Reform of local government finance arrangements	130
14.2 Financial sustainability of local government	131
Recommendations 1.31, 1.30	133
14.3 Potential for Indigenous communities to form local governments	133
Recommendation 1.32	135
14.4 Scope for periodic review of local government boundaries	135
Recommendations 1.33, 1.34	136
14.5 Boundary delimitation and overlap of administrative regions of Government agencies	137
14.6 Capacity building in local government	137
14.7 Elected members	139
Recommendation 1.35	142
Recommendation 1.36	145
Recommendation 1.37	146
15 Electoral Reform	147
15.1 Eligibility to vote	148
15.1.1 Non-residents' right to vote	148
Recommendation 2.1	153
15.1.2 Number of votes that an elector can cast in a local government election	153
Recommendation 2.2	155
15.2 Requirement to vote	155
Recommendation 2.3	163
15.3 Type of election	166
Recommendation 2.4	169
15.4 Voting system	169
Recommendation 2.5	175
15.5 Election of Mayor or President	175
Recommendations 2.6, 2.7	186
15.6 Frequency of elections	186
15.6.1 Length of term	186
Recommendation 2.8	188
15.6.2 Staggered terms	189
Recommendation 2.9	193
15.7 Who should be able to conduct elections	193
Recommendations 2.10, 2.11	201
15.8 Electoral offences	201
Recommendation 2.12	202

Appendix 1 Public Hearings	203
Appendix 2 Advertising	205
Appendix 3 Submissions	207
Appendix 4 Councils that Responded to the Local Government Advisory Board's Survey on Resource Sharing and Regional Co-operation	215
Appendix 5 List of Local Government Services and Functions	217
Appendix 6 Western Suburbs Region	221
6.1 Introduction	222
6.2 Current situation	223
6.3 Submissions	225
6.3.1 Local government	225
6.3.2 Other submissions	229
6.3.3 Summary and comment	230
6.4 Regional issues	231
6.4.1 Issues identified previously by the Board	231
6.4.2 Regional co-operation and resource sharing	232
6.4.3 Summary and comment	234
6.5 Local government boundary changes in the Western suburbs	234
6.6 Social sustainability	237
6.6.1 Demographic characteristics and trends	237
6.6.2 Community of interest	239
6.6.3 Summary and comment	249
6.7 Economic sustainability	249
6.7.1 Overview of economic health and activity in the region	249
6.7.2 Infrastructure	250
6.7.3 Financial assessments/viability of affected local governments	252
6.7.4 Employment	254
6.7.5 Effective delivery of local government services	256
6.7.6 Town planning	258
6.7.7 Equity concerns	259
6.7.8 Summary and comment	259
6.8 Environmental sustainability	260
6.8.1 Regional issues	260
6.8.2 Land development	263
6.8.3 Summary and comment	263
6.9 Benefits of an amalgamation	264
6.10 Sustainability and boundaries	265
6.10.1 Social sustainability	265
6.10.2 Economic sustainability	266
6.10.3 Environmental sustainability	267
6.10.4 Proposed Western suburbs boundaries	268
6.11 Conclusion	268
6.12 Recommendation 1.1	268
Appendix 7 South West Metropolitan Region	271
7.1 Introduction	272
7.2 Current situation	273

7.3 Submissions	276
7.3.1 Local government	276
7.3.2 Other submissions relevant to the area	278
7.3.3 Comments at the hearings	279
7.3.4 Summary and comment	279
7.4 Regional issues	279
7.4.1 Local government boundary changes in the south west metropolitan region	279
7.4.2 Regional cooperation and resource sharing	281
7.4.3 Summary and comment	283
7.5 Social sustainability	283
7.5.1 Demographic characteristics and trends	283
7.5.2 Community of interest	286
7.5.3 Sense of community	297
7.5.4 Summary and comment	298
7.6 Economic sustainability	298
7.6.1 Overview of economic health and activity in the region	298
7.6.2 Infrastructure	299
7.6.3 Financial assessments/viability of affected local governments	300
7.6.4 Employment	302
7.6.5 Effective delivery of local government services	304
7.6.6 Town planning	304
7.6.7 Equity concerns	305
7.6.8 Summary and comment	306
7.7 Environmental sustainability	307
7.7.1 Regional issues	307
7.7.2 Land development	310
7.7.3 Summary and comment	311
7.8 Sustainability and boundaries	312
7.9 Benefits of an amalgamation	313
7.9.1 Social sustainability	313
7.9.2 Economic sustainability	314
7.9.3 Environmental sustainability	315
7.9.4 Minor boundary anomalies	315
7.9.5 Proposed south west metropolitan region boundaries	315
7.10 Recommendation 1.2	316
Appendix 8 Bunbury Region	317
8.1 Current situation	318
8.2 Submissions	319
8.2.1 Local government	319
8.2.2 Other submissions	322
8.2.3 Summary and comment	323
8.3 Regional issues	325
8.3.1 Issues identified previously by the Board	325
8.3.2 Summary and comment	330
8.4 Suggested boundary changes	330
8.5 Social sustainability	331
8.5.1 Overview of social issues	331
8.5.2 Demographic characteristics and trends	331
8.5.3 Community of interest	332
8.5.4 Summary and comment	337
8.6 Economic sustainability	338
8.6.1 Overview of economic health and activity in the region	338
8.6.2 Infrastructure	338
8.6.3 Greater Bunbury Region Scheme	340

8.6.4 Financial assessments/viability of affected local governments	340
8.6.5 Effective delivery of local government services	341
8.6.6 Summary and comment	342
8.7 Environmental sustainability	343
8.7.1 Regional issues	343
8.7.2 Greater Bunbury Region Scheme	344
8.7.3 Land development	345
8.7.4 Summary and comment	346
8.8 Sustainability and boundaries	347
8.8.1 Social sustainability	348
8.8.2 Economic sustainability	349
8.8.3 Environmental sustainability	349
8.8.4 Proposed City of Bunbury boundaries	350
8.9 Recommendation 1.3	351
Appendix 9 Mandurah Region	353
9.1 Current situation	354
9.2 Submissions	354
9.2.1 Local government	354
9.2.2 Summary and comment	355
9.3 Regional issues	356
9.4 Suggested boundary changes	357
9.5 Social sustainability	358
9.5.1 Overview of social issues	358
9.5.2 Demographic characteristics and trends	359
9.5.3 Community of interest	361
9.5.4 Summary and comment	364
9.6 Economic sustainability	365
9.6.1 Overview of economic health and activity in the region	365
9.6.2 Local government co-operative arrangements	366
9.6.3 Infrastructure	367
9.6.4 Peel Region Scheme	368
9.6.5 Financial assessments/viability of affected local governments	368
9.6.6 Effective delivery of local government services	369
9.6.7 Summary and comment	370
9.7 Environmental sustainability	370
9.7.1 Overview of environmental issues	370
9.7.2 Peel Region Scheme	371
9.7.3 Peel Regional Park	372
9.7.4 Land development	372
9.7.5 Summary and comment	373
9.8 Pinjarra-Brunswick sustainability strategy	373
9.9 Sustainability and boundaries	375
9.9.1 Social sustainability	375
9.9.2 Economic sustainability	376
9.9.3 Environmental sustainability	376
9.9.4 Proposed City of Mandurah boundaries	377
9.10 Recommendation 1.4	377
Appendix 10 Northam Region	379
10.1 Current situation	380
10.2 Submissions	381

10.2.1 Local government	381
10.2.2 Other submissions	384
10.2.3 Summary and comment	393
10.3 Regional issues	395
10.3.1 Issues identified previously by the Board	395
10.3.2 Other issues	398
10.3.3 Summary and comment	398
10.4 Suggested boundary changes	399
10.5 Social sustainability	401
10.5.1 Overview of social issues	401
10.5.2 Demographic characteristics and trends	401
10.5.3 Community of interest	404
10.5.4 Summary and comment	408
10.6 Economic sustainability	409
10.6.1 Overview of economic health and activity in the region	409
10.6.2 Infrastructure	409
10.6.3 Avon Arc Sub-Regional Strategy and Northam Surrounds Structure Plan	410
10.6.4 Financial assessments/viability of affected local governments	410
10.6.5 Effective delivery of local government services	412
10.6.6 Summary and comment	412
10.7 Environmental sustainability	413
10.7.1 Overview of environmental issues	413
10.7.2 Avon Arc Sub-Regional Strategy	414
10.7.3 Northam Surrounds Structure Plan	415
10.7.4 Land development	415
10.7.5 Summary and comment	416
10.8 Sustainability and boundaries	416
10.8.1 Social sustainability	417
10.8.2 Economic sustainability	418
10.8.3 Environmental sustainability	418
10.8.4 Proposed Northam boundaries	419
10.9 Recommendation 1.5	419
Appendix 11 Narrogin Region	421
11.1 Current situation	422
11.2 Submissions	422
11.2.1 Local government	423
11.2.2 Summary and comment	430
11.3 Regional issues	431
11.3.1 Issues identified previously by the Board	431
11.3.2 Other issues	433
11.3.3 Summary and comment	434
11.4 Suggested boundary changes	434
11.5 Social sustainability	434
11.5.1 Overview of social issues	434
11.5.2 Demographic characteristics and trends	434
11.5.3 Community of interest	435
11.5.4 Local government representation	437
11.5.5 Summary and comment	438
11.6 Economic sustainability	439
11.6.1 Overview of economic health and activity in the region	439
11.6.2 Infrastructure	439

11.6.3 Planning considerations	440
11.6.4 Financial assessments/viability of affected local governments	441
11.6.5 Effective delivery of local government services	442
11.6.6 Summary and comment	442
11.7 Environmental sustainability	444
11.7.1 Overview of environmental issues	444
11.7.2 Land development	444
11.7.3 Summary and comment	445
11.8 Sustainability and boundaries	445
11.8.1 Social sustainability	445
11.8.2 Economic sustainability	446
11.8.3 Environmental sustainability	447
11.8.4 Proposed Narrogin boundaries	447
11.9 Recommendations 1.6, 1.7	447
Appendix 12 Geraldton Region	449
12.1 Current situation	450
12.2 Amalgamation proposals	450
12.2.1 Shire of Greenough	450
12.2.2 City of Geraldton	451
12.3 Previous Board Inquiries	453
12.3.1 1998 Inquiry	453
12.3.2 2003 Inquiry	454
12.4 Summary and comment	455
12.5 Recommendations 1.8, 1.9	456
Appendix 13 Wheatbelt Region	457
13.1 Current status	458
13.2 Local government	458
13.2.2 Summary and comment	461
13.3 Submissions	462
13.3.1 Regional organisations	462
13.3.2 Summary and comment	467
13.4 Suggestions for boundary changes	469
13.5 The future	469
13.6 Recommendations 1.10, 1.11, 1.12	471
Bibliography	473
Boxes	
Box 1 State Sustainability Strategy: Sustainability Visions for Western Australia	15
Box 2 Criteria for Sustainability Assessment	17
Box 3 The Components of a Sustainable Community	20
Box 4 Advantages/Disadvantages of Existing Small Local Governments	56
Box 5 Advantages/Disadvantages of Resource Sharing	59
Box 6 Advantages/Disadvantages of Voluntary Regional Organisations of Councils	72
Box 7 Advantages/Disadvantages of Area Integration/Joint Board Model	75
Box 8 Advantages/Disadvantages of Virtual Local Governments	76
Box 9 Advantages/Disadvantages of Agency Model	77
Box 10 Advantages/Disadvantages of Merger/Amalgamation	86
Box 11 Advantages/Disadvantages of Major Boundary Change	88

Figures

Figure 1 Total Rates Levied by WA Local Governments by Category 2003/04	8
Figure 2 Metropolitan Region Existing Regional Local Government Arrangements as Reported in the Board's 2005 Survey	64
Figure 3 Mid West/Wheatbelt/South West/Great Southern Existing Regional Local Government Arrangements as Reported in the Board's 2005 Survey	65
Figure 4 Pilbara/Murchison Existing Regional Local Government Arrangements as Reported in the Board's 2005 Survey	66
Figure A6.1 Community as Drawn by Residents of the Local Governments of Cambridge, Claremont, Nedlands, Subiaco and Stirling (part)	241
Figure A6.2 Local Intake Area Shenton College	242
Figure A6.3 <i>Western Suburbs Weekly</i> Area of Distribution	245
Figure A6.4 State Electoral Districts (2003 redistribution)	246
Figure A6.5 Commonwealth Electoral Division of Curtin	247
Figure A6.6 Catchment Areas for Cottesloe Beach and City Beach	248
Figure A6.7 Proposed New Western Suburbs Local Government	269
Figure A7.1 Newspaper Circulation Areas South West Metropolitan Area	293
Figure A7.2 WA Electoral Boundaries – South Metropolitan Region	294
Figure A7.3 Commonwealth Electoral Divisions of Fremantle and Brand	295
Figure A7.4 Commonwealth Electoral Division of Tangney	296
Figure A7.5 Catchment Area for Survey Respondents using South Beach	296
Figure A7.6 Catchment Area for Survey Respondents using Rockingham Beach	297

Tables

Table 1 Local Government Revenue and Expenditure 2004/05	7
Table 2 Local Government Rate Revenue 2004/05	7
Table 3 Local Government Net Expenditure per Capita by Function 2003/04	9
Table 4 Local Government Forward Planning in WA	24
Table 5 Survey Responses – Adequacy of Financial Base	25
Table 6 Population Decline Shires Based on WAPC Population Projections to 2021	34
Table 7 Demographic Stress: Most Stressed in WA with Australian Ranking	35
Table 8 Survey Results: Ranking of Guiding Principles	39
Table 9 Population Size of WA Local Governments 2005	46
Table 10 Inter State Comparison of Local Government Size 2003/04	47
Table 11 Number of Local Government per State 2004/05	47
Table 12 Number of Metropolitan Local Governments by Population Size 2004	48
Table 13 Survey Responses – Resource Sharing	57
Table 14 Survey Responses – Resources Shared	57
Table 15 Members of a Voluntary Regional Group of Councils	61
Table 16 Functions of Regional Groups	61
Table 17 Success of a Regional Group	62
Table 18 Reasons for Part Success of the Regional Group	62
Table 19 Reasons for Not Joining a Formal Regional Group	62
Table 20 Local Government Population and Full Time Employees	106
Table 21 Population in Selected Metropolitan Areas and Provinces/States	117
Table 22 Level of Remuneration of Elected Members	140
Table 23 Method for the Determination of Meeting Fees and Allowances	140
Table 24 WA Local Government Councillor to Elector Ratios	143
Table 25 Eligibility for Non-Residents to Vote	149
Table 26 Feedback from Submissions re Number of Votes	154
Table 27 Voting Requirements in Other States	156

Table 28	Feedback from Submissions re Voluntary/Compulsory Voting	156
Table 29	Voter Participation in 2005 Local Government Ordinary Elections	158
Table 30	Voter Turnout 2005 Local Government Ordinary Elections	164
Table 31	Election Types in Other States	166
Table 32	Feedback from Submissions re Election Method	166
Table 33	Voting Systems in Other States	171
Table 34	Feedback from Submissions re Method for Counting Votes	171
Table 35	Election of Mayors in Other States	176
Table 36	Feedback from Submissions re Election of Mayor/President	176
Table 37	Length of Terms in Other States	186
Table 38	Feedback from Submissions re Four Year Term	187
Table 39	Staggered Terms in Other States	189
Table 40	Feedback from Submissions re Staggered Terms	189
Table 41	Conduct of Elections in Other States	195
Table 42	Feedback from Submissions re Conduct of Elections	196
Table 43	Costs of Conducting Postal Elections	196
Table A6.1	Western Suburbs Local Governments, Vital Statistics	224
Table A6.2	Wards and Representation May 2005	225
Table A6.3	Existing Reported Resource Sharing	232
Table A6.4	Intention to Enter into Resource Sharing Arrangements in the Next 12 Months	233
Table A6.5	Reported Voluntary Regional Groups	233
Table A6.6	Intention to Enter into Formal Regional Arrangements in the Next 12 Months	234
Table A6.7	Establishment Dates for Western Suburbs Local Governments	235
Table A6.8	Local Government Population 2004 to 2021	237
Table A6.9	Selected Census Variables	238
Table A6.10	Index of Socio-Economic Disadvantage	239
Table A6.11	Industry of Employment	244
Table A6.12	Total Employees by Local Government Area	255
Table A6.13	Staff Structures	255
Table A6.14	Service Provision Gaps	256
Table A6.15	Natural Resource Management Activity Based on Local Government Natural Resource Management Activity Maps	262
Table A6.16	Future Development Activity Inner Sector (includes Western Suburbs) 2004/05 to 2008/09	263
Table A7.1	South West Metropolitan Area, Vital Statistics	274
Table A7.2	Wards and Representation May 2005	275
Table A7.3	Establishment Dates for Local Governments in the South West Metropolitan Area	280
Table A7.4	Existing Reported Resource Sharing	281
Table A7.5	Intention to Enter into Resource Sharing Arrangements in the Next 12 Months	282
Table A7.6	Voluntary Regional Organisations	282
Table A7.7	Local Government Population 2004 to 2020	283
Table A7.8	Index of Socio-Economic Disadvantage	284
Table A7.9	Selected Census Variables	285
Table A7.10	School Population	288
Table A7.11	Industry of Employment	289
Table A7.12	Place of Destination for Workers Resident in South West Metropolitan Area	290
Table A7.13	Place of Origin of Workers Working in South West Metropolitan Area	291

Table A7.14 Total Employees by Local Government Area	303
Table A7.15 Staff Structures	303
Table A7.16 Natural Resource Management Activity Based on Local Government Natural Resource Management Activity Maps	309
Table A7.17 Future Development Activity South West Metropolitan Area 2004/05 to 2008/09	310
Table A8.1 Existing Reported Resource Sharing	325
Table A8.2 Intention to Enter into Resource Sharing Arrangements in the Next 12 Months	326
Table A8.3 Wards and Representation May 2005	326
Table A8.4 Reported Voluntary Regional Groups	328
Table A8.5 Intention to Enter into Formal Regional Arrangements in the Next 12 Months	328
Table A8.6 Local Government Population 2004 to 2021	332
Table A8.7 School Population	334
Table A8.8 Place of Origin of Workers Working in Bunbury Region	335
Table A8.9 Place of Destination for Workers Resident in Bunbury Region	335
Table A8.10 Average Rate Per Residential Assessment	341
Table A8.11 Future Development Activity Greater Bunbury 2004/05 to 2008/09	346
Table A9.1 Local Government Population 2004 to 2021	359
Table A9.2 Selected Census Variables	359
Table A9.3 School Population	362
Table A9.4 Place of Origin of Workers Working in the Peel Region and Rockingham	362
Table A9.5 Place of Destination for Workers Resident in the Peel Region and Rockingham	363
Table A9.6 Wards and Representation May 2005	364
Table A9.7 Existing Reported Resource Sharing	366
Table A9.8 Intention to Enter into Resource Sharing Arrangements in the Next 12 Months	366
Table A9.9 Reported Voluntary Regional Groups	367
Table A9.10 Intention to Enter into Formal Regional Arrangements in the Next 12 Months	367
Table A9.11 Average Rate per Residential Assessment	369
Table A9.12 Future Development Activity 2004/05 to 2008/09	372
Table A10.1 Existing Reported Resource Sharing	396
Table A10.2 Intention to Enter into Resource Sharing Arrangements in the Next 12 Months	396
Table A10.3 Reported Voluntary Regional Groups	397
Table A10.4 Intention to Enter into Formal Regional Arrangements in the Next 12 Months	397
Table A10.5 Local Government Population 2004 to 2021	401
Table A10.6 Selected Census Variables	402
Table A10.7 School Population	405
Table A10.8 Place of Origin of Workers Working in the Northam Region	405
Table A10.9 Place of Destination for Workers Residing in the Northam Region	406
Table A10.10 Wards and Representation May 2005	407
Table A10.11 Average Rate per Residential Assessment	412
Table A10.12 Future Development Activity 2004/05 to 2008/09	416
Table A11.1 Existing Reported Resource Sharing	432

Table A11.2	Intention to Enter into Resource Sharing Arrangements in the Next 12 Months	432
Table A11.3	Intention to Enter into Formal Regional Arrangements in the Next 12 Months	433
Table A11.4	Local Government Population 2004 to 2021	435
Table A11.5	School Population	436
Table A11.6	Place of Origin of Workers Working in the Narrogin Region	436
Table A11.7	Place of Destination for Workers Resident in the Narrogin Region	437
Table A11.8	Wards and Representation May 2005	438
Table A11.9	Average Rate per Residential Assessment	441
Table A11.10	Recent Development Activity 2003/04	444
Table A13.1	Profile of Local Governments in the Wheatbelt Region	459
Table A13.2	Demographic Stress: Selected Local Governments in WA with Australian Ranking	461