Government of **Western Australia**
Local Government Advisory Board

Local Government Advisory Board

Metropolitan Local Government District Inquiries Report

September 2014

Local Government Advisory Board Metropolitan Local Government District Inquiries Report is available for viewing and download from the Local Government Advisory Board website: www.dlg.wa.gov.au/AdvisoryBoard

For more information, please contact:

Department of Local Government and Communities
Gordon Stephenson House, 140 William Street, Perth WA 6000
GPO Box R1250, Perth WA 6844
Telephone: (08) 6551 8700 Fax: (08) 6552 1555
Freecall: 1800 620 511 (Country only)
Email: info@dlgc.wa.gov.au Website: www.dlgc.wa.gov.au
Translating and Interpreting Service (TIS) – Tel: 13 14 50

Message from the Chair

It is with pleasure that I present the Local Government Advisory Board's report to the Minister for Local Government on the Metropolitan Local Government District Inquiries for consideration.

These inquiries represent the most significant and complex task ever undertaken by the Board. The level of complexity and the logistics associated with the inquiries were always going to be challenging and it was soon evident that its perceptions around the magnitude of the task were more than justified.

I would like to reiterate the Board's role as in independent inquirer and its commitment to ensure that this was not compromised. During the course of the inquiries there was concern expressed from various sources about Board member's conflicts and how this was being managed. I have refrained until now about making any specific comment on this issue but feel the time is now right to reinforce with the local government sector and the broader community that the Board implemented a rigorous process to ensure that Board members complied with the strict conflict requirements imposed on them by the *Local Government Act 1995*.

I would also like to touch on the issue of consultation as there have been claims in the media and other sources that the level of consultation by the Board could have been greater. In all, the Board called for submissions on proposals on four separate occasions, involving a total of seventeen weeks consultation which resulted in the receipt of over 30,000 submissions from the public. In addition to this the Board convened approximately fifty meetings with key stakeholders.

On behalf of the Board I would like to acknowledge the efforts of the affected local governments for committing both their time and resources to the provision of information to assist the Board during the course of its inquiries.

The recommendations made by the Board understandably will not satisfy everyone, however, subject to acceptance by the Minister, the Board believes that its recommendations provide a better structure for local government in metropolitan Perth and it encourages the affected local governments to work cooperatively to embrace and implement the changes for the benefit of their residents, ratepayers and employees.

I cannot thank the Board members and deputy members enough for their invaluable input and the time and effort they contributed throughout the inquiries. I also want to acknowledge the staff assigned to the Board and other staff from the Department of

Local Government and Communities along with staff from the Department of Planning for their outstanding work in supporting the Board during the course of the Inquiries and the compiling of this report.



Cr Mel Congerton
Chair
Local Government Advisory Board

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Executive Summary

The Local Government Advisory Board (the Board) is a statutory body established under section 2.44 of the Local Government Act 1995 (the Act). Its role is to provide advice to the Minister on constitutional matters such as the establishment of districts, amalgamations, district and ward boundary amendments and councillor representation.

The Board's functions are set out in the provisions contained in section 2.45 of the Act which require that it consider and assess proposals to change local government boundaries and/or their system of representation and make recommendations to the Minister about these proposals.

Between June 2013 and February 2014 the Board received 38 proposals for local government boundary change in metropolitan Perth. The Board received proposals from the Minister for Local Government (the Minister), from local governments, and from local government electors. The proposals affected 27 of the metropolitan local governments, as well as potentially the Shires of Murray and Wandering.

The Board has dealt with these proposals by undertaking concurrent inquiries. Given the overlapping and competing proposals, the Board's role is to assess each proposal on its merits, but to do so with a view to the best way forward for local government in metropolitan Perth.

These inquiries represent the most significant and complex task ever undertaken by the Board. The unprecedented scale of this review has been challenging for the Board, particularly given that many members and deputy members had interests affected by particular proposals and withdrew from participation in Board activities pertaining to those proposals. Given the need to finalise a metropolitan wide structure, a Ministerial Order pursuant to subclause 7 (8) of Schedule 2.5 to the Act was gazetted on 9 June 2014 to allow all Board members to fully participate in the deliberations on the final recommendations.

Latest ABS estimates (30 June 2013) are that metropolitan Perth's population is 1.876 million. The latest population projections from the ABS has metropolitan Perth increasing to between 2.7 million to 3.1 million by 2026, with further growth to between 4.4 million and 6.6 million in 2061.

Metropolitan Perth is undergoing a period of transformational change which includes significant public infrastructure development. Most of the population growth will occur in the region's outer suburbs, although there will be growth from infill in inner suburbs as well. The Board considered it was important that the new local government structure be linked to the activity centres within the Western Australian Planning Commission's Directions 2031 and Beyond planning framework for metropolitan Perth. The location, role and relationships between activity centres were an important consideration in framing the Board's recommendations, in addition to the prescribed factors within the Act.

The Board conducted the inquiries into the 38 proposals. This includes public advertisement, public submissions and meetings with stakeholders. The Board received close to 30,000 submissions over three consultation periods. The Board met with 39 stakeholders including 29 local governments.

The major issues confronted by the Board for these inquiries stemmed from the fact that a large number of proposals applied to the same district areas.

To address these issues, the Board decided on the following approach:

a) to assess all proposals equally;

b) to not reach any decisions on a proposal until the assessments of all other proposals had concluded;

c) to consider the metropolitan area from a strategic and equitable perspective; and

d) at all times, to conduct the inquiries within the statutory requirements of the Act.

The Board developed an assessment methodology to ensure that each proposal would be assessed in a consistent manner. The assessment methodology was designed to assess each proposal separately while also providing a way for the Board to compare proposals. This allowed the Board to reach a well considered decision on which proposals should be recommended to the Minister and which should be rejected. Of the 38 proposals received by the Board, there were varying approaches to a merger mechanism. Some proponents preferred merging by way of amalgamation while others elected for a boundary amendment. The Board determined that where a particular proposal was assessed as its preferred option, it would give significant weight to the view of the proponent with respect to the particular merger option which would be suitable as an element on reaching its conclusion on that question in conjunction with the relevant statutory factors. The Board has also made

recommendations pertaining to wards, representation and the naming of the proposed local government.

After conducting the inquiries, the effect of the Board's recommendations is to reduce the number of metropolitan local governments from 30 to 14[1]. Specifically, the recommendations provide for:

- Amalgamation of the City of Perth and City of Vincent to form the new **City of Perth** , with the ceding of Crawley to the new City of Riversea, and the addition of a portion of Mount Lawley from the City of Bayswater (includes Kings Park).
    - Creation of a district ward structure
    - Ten offices of councillor

- A reduction in size of the **City of Stirling** through the transfer of Inglewood and portions of Dianella, Mount Lawley, Menora and Yokine to the City of Bayswater and the transfer of Churchlands and portions of Wembley and Wembley Downs to the new City of Subiaco and the transfer of portion of City Beach from the new City of Subiaco to the City of Stirling.
    - Representation review recommended

- A boundary amendment to the **City of Bayswater** to subsume the Town of Bassendean, with Kiara and a portion of Noranda transferred from the City of Swan, portion of Morley transferred to the City of Swan, and Inglewood and portions of Dianella, Mount Lawley, Menora and Yokine transferred from the City of Stirling.
    - Creation of a district ward structure
    - Fourteen offices of councillor

- A boundary amendment to the **City of Swan** to subsume the Shire of Mundaring, with portion of Noranda transferred to the City of Bayswater, and lands adjacent to Perth Airport transferred to the City of Belmont.
    - Creation of a seven ward structure
    - Fifteen offices of councillor

- A boundary amendment to the **City of Belmont** to subsume the Shire of Kalamunda, with portion of Welshpool transferred from the City of Canning,

[1] Maps of recommendations made by the Board can be found in Appendix 1. Key statistical information for the proposed local governments can be found in Appendix 7.

lands adjacent to Perth Airport transferred from the City of Swan, and portion of the Balbuk Reserve transferred to the Town of Victoria Park.

    - Creation of a district ward structure
    - Twelve offices of councillor

- Amalgamation of the City of South Perth and Town of Victoria Park to form the new **City of South Park**, with the transfer of portions of Bentley, St James, Welshpool and Wilson from the City of Canning and portion of the Balbuk Reserve transferred from the City of Belmont.

    - Creation of a district ward structure
    - Twelve offices of councillor

- A boundary amendment to the **City of Armadale** through the transfer of the northern portion of the Shire of Serpentine Jarrahdale including Byford and Mundijong.

    - Creation of a district ward structure
    - Fourteen offices of councillor

- A boundary amendment to the **Shire of Murray** through the transfer of the southern portion of the Shire of Serpentine Jarrahdale including Jarrahdale and Serpentine.

    - Creation of a two ward structure
    - Ten offices of councillor

- Amalgamation of the City of Nedlands, Towns of Claremont, Cottesloe, and Mosman Park and the Shire of Peppermint Grove to form the new **City of Riversea**, together with the transfer of the northern portion of the City of Nedlands (portions of Floreat, Mount Claremont and Shenton Park) to the new City of Subiaco, the transfer of portion of North Fremantle from the City of Fremantle, and the transfer of Crawley from the Cities of Perth and Subiaco and portion of Nedlands from the City of Subiaco.

    - Creation of a district ward structure
    - Fourteen offices of councillor

- A boundary amendment to the Town of Cambridge to subsume the City of Subiaco, to be named the **City of Subiaco**, with the transfer of portions of Crawley and Nedlands to the City of Riversea, the transfer of portions of Floreat, Mount Claremont and Shenton Park from the City of Riversea, and the

transfer of Churchlands and portions of Wembley and Wembley Downs from the City of Stirling and the transfer of portion of City Beach to the City of Stirling.

- Creation of a district ward structure
- Eight offices of councillor

At the time of finalising the report, the Board intended to recommend orders which were significantly different from the Cockburn Community Electors E1 Proposal and the City of Melville Proposal 10 into which it had originally inquired during the current Metropolitan Local Government District Inquiries. These two proposals affect the boundaries of the local governments of Cockburn, Kwinana, Fremantle, East Fremantle, Canning, Gosnells and Melville. Consequently, the Board was unable to make a final recommendation on a boundary for the affected local governments. The Board's recommended boundaries for the local governments of Cockburn, Kwinana, Fremantle, East Fremantle, Canning, Gosnells and Melville will be detailed in an addendum to this report in late September 2014.

1. Introduction

The Local Government Advisory Board (the Board) has received 38 proposals for changes to districts in metropolitan Perth. The Board has dealt with these proposals concurrently. The Board has kept firmly in mind during the process the importance of metropolitan Perth having the best possible local government structure to deal with the social, economic, environmental and governance challenges confronting it into the future.

The Board has received proposals from the Minister for Local Government (the Minister), from local governments, and from local government electors. Given the overlapping and competing proposals, the Board considered its role to be to assess each proposal on its merits, but to do so with a view to the best way forward for local government in metropolitan Perth.

1.1 Background

This report presents the Board's findings after reviewing the proposals for local government boundary change in metropolitan Perth. With 38 proposals having been received by the Board between November 2013 and May 2014, the scale of this inquiry is unprecedented in the history of the Board since its establishment in 1996. However, it is not the first time that metropolitan local government boundaries have been subject to reform proposals, with the first of several comprehensive reviews reporting in 1954.

The current local government reform process in Western Australia commenced in February 2009, when the then Minister for Local Government Hon John Castrilli MLA initiated the State Government's agenda for voluntary local government reform. A Ministerially appointed Steering Committee was given oversight for the coordination of reform measures to progress State-wide sector reform. It reported in May 2010 that;

"It is widely acknowledged that local governments in Western Australia face significant structural and capability challenges. It is also acknowledged that strong and sustainable local government structures are needed to provide social, economic and regional development opportunities for communities…

The aim of reform is to build a local government sector with the capacity to operate at best practice levels and to deliver optimal services to communities throughout Perth

and regional Western Australia into the next 100 years. This encompasses effective planning and decision making and the ability to properly engage in partnerships with State and Commonwealth Governments and industry….

Structural reform will deliver more efficient and effective systems of governance at the local level and improved levels of service to communities through greater strategic capacity and economies of scale. This will be achieved by fewer, stronger local governments across the State with strategically focussed councils, governed by less members with high level strategic decision making skills." [2]

Local governments throughout the State were asked to consider reform options. The outcome of this first stage of the reform process was 10 local governments initially supporting amalgamation, sixteen local governments participating in Regional Transition Groups, and 21 local governments participating in Regional Collaborative Groups. The only participating metropolitan councils were the Cities of Nedlands and Subiaco. The City of Geraldton-Greenough and Shire of Mullewa subsequently amalgamated to form the City of Greater Geraldton, and a number of other amalgamation proposals did not proceed due to local government decisions, the Board not supporting proposals, or in cases where the Board did support proposals, the proposal was defeated under the poll provisions of the *Local Government Act 1995* (the Act).

Then Minister Castrilli subsequently announced in June 2011 the appointment of a high level independent panel to undertake a Metropolitan Local Government review. The panel was given wide ranging terms of reference to examine the challenges facing Perth in the next 50 years and to recommend appropriate boundaries and governance models for local governments. The eminent panel was chaired by Professor Alan Robson AM, the then Vice Chancellor of The University of Western Australia. The panel submitted its final report (the Robson Report) to the Minister for Local Government in July 2012. The Report contained 30 recommendations for change to local government arrangements in the Perth region, including a reduction in the number of metropolitan local governments to 12.

In April 2013 a new Minister for Local Government was appointed, the Hon Tony Simpson MLA. After considering the Robson Report and the further submissions received, Minister Simpson announced in July 2013 his initial proposals for the new local government boundaries for metropolitan Perth, based on reducing the number of metropolitan local governments from 30 to 14.

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[2] Local Government Reform Steering Committee Report May 2010, p5 -6
http://dlg.wa.gov.au/Content/LG/LGReform/About.aspx

Local governments were invited by Minister Simpson in the month of July 2013 to lodge local government boundary change proposals with the Local Government Advisory Board between 26 August and 4 October 2013. The State Government also finalised its model of preferred metropolitan local government boundaries and the Minister formally submitted 12 proposals to the Board in October and November 2013, the effect of which would still reduce the number of metropolitan local governments from 30 to 15. The Cities of Joondalup, Rockingham and Wanneroo were not affected by the Minister's proposals.

The new boundaries were developed after extensive consideration of the report of the Metropolitan Local Government Review Panel, community feedback, previous studies, experience from interstate and overseas, and information from the local government sector and other Government agencies. Some local government boundaries were not affected in the proposed model. These local governments were considered to be able to accommodate the growth and offer the suite of services their communities will need in the future. The Government model used existing local boundaries wherever possible to minimise disruption in amalgamating local governments. In other cases, the suggested boundaries were changed to achieve the best outcomes.[3]

A further 26 proposals were received by the Board, 25 of which were from local governments in the metropolitan area (Cambridge, Kalamunda, Melville, Perth submitting multiple proposals). An elector's proposal was also received from electors of the City of Cockburn. The proposals affected 27 of the metropolitan local governments, as well as potentially the Shires of Murray and Wandering.

The Board unanimously resolved to progress all of the proposals before it. Collectively the Minister's proposals represented a holistic view of the metropolitan area compared to all the other proposals which only focused on a particular area or sub-region.

The unprecedented scale of this review has been challenging for the Board, particularly given that many members and deputy members had interests affected by particular proposals and withdrew from participation in Board activities pertaining to those proposals (see Section 2.3). Given the need to finalise a metropolitan wide structure, a Ministerial Order pursuant to subclause 7 (8) of Schedule 2.5 to the Act was gazetted on 9 June 2014 to allow all Local Government Advisory Board members to fully participate in the deliberations on the final recommendations.

In dealing with the proposals, the Board has a statutory right to make minor amendments to the proposals as submitted if the Board feels that the amended

[3] http://metroreform.dlg.wa.gov.au/Page.aspx?PID=ProposedNewLG

proposal would deliver a better outcome. This also provided the Board with the opportunity to consider and address minor boundary anomalies.

1.2 History of reform in metropolitan Perth

From the first European settlement of Western Australia in 1829, it took about eighty years for a system of local government to develop which comprehensively covered the physical territory of the State. In 1871 legislation was passed which laid the foundations for a comprehensive system of local government, and there were seven municipalities and 21 road districts in Western Australia, including three municipalities and four road districts in what is now metropolitan Perth. Municipalities had broad local government functions; much like the present local governments, but road districts had limited functions only, being primarily the care and control of local roads. Since 1961, municipalities became Cities and Towns and road districts became Shires.

There has been establishment of many new local governments and the dissolution of some local governments since 1871, such that the current number in WA is 138, with 30 in metropolitan Perth. In the post-war period, relatively few local governments have been established, including Kwinana (1953), Cambridge, Victoria Park and Vincent in 1993, and Joondalup in 1998.

The fragmentation of the local government structure has been a recurring issue. As early as 1918 there was a Public Works Department investigation into desirable amalgamations, the first of many state government initiated reviews of the structure of local government. Major reviews of the structure of local government have included:

- 1953 Departmental Report on Boundaries (metropolitan, recommended reduction to 11 or 19).
- 1968 Local Government Assessment Committee (Statewide, recommended reduction from 144 to 89).
- 1972 Local Government Boundaries Commission (metropolitan, recommended reduction from 26 to 18).
- 1974 Royal Commission on Metropolitan Municipal Boundaries (metropolitan, recommended reduction from 26 to 18).
- 1996 Structural Reform Advisory Committee (Statewide).
- 2006 Local Government Advisory Board (Statewide, examined structural and electoral reform, identified the need for some amalgamations).

The net effect of all these inquiries has resulted in relatively few amalgamations. There have been 21 amalgamations in WA since 1949, including only three in the metropolitan area: North Fremantle, Midland and Guildford. Consequently, many historical local government boundaries remain in the face of dramatic demographic, social and technological changes, and changes in the role of local government which have occurred.

Metropolitan Local Government Review (Robson Report)

It was with this background context that a further local government review was commissioned in June 2011. The Metropolitan Local Government Review Panel was appointed to examine the current and anticipated regional, social, environmental and economic issues affecting, or likely to affect, the growth of metropolitan Perth in the next 50 years, as well as current and anticipated national and international factors. The Panel's task was to recommend the most appropriate local government structures and governance models for metropolitan Perth.

After undertaking its review, it was the Panel's view that metropolitan local government faces major challenges in planning for an increasing and changing population, including changing community perceptions of housing size and density, fulfilling the demand for a diversity of housing of suitable size and location, minimising impacts such as biodiversity and habitat loss, air and water pollution, planning for increased road use and planning sustainable urban forms that retain amenity, liveability and affordability.

The Panel found that in addition to its role in managing accelerated growth, local government also needed to play its part in contemporary challenges such as:

- facilitating the continued supply of affordable housing;
- managing demographic change;
- responding to the effects of environmental change;
- reducing urban congestion;
- maintaining ageing assets;
- co-ordinating the effective provision of critical infrastructure; and
- adapting to the changing use of technology.

The Panel found weaknesses with the current metropolitan local government arrangements, including a significant level of duplication and wasted resources, as well as:

- *Great inconsistencies in processes and approaches which result in difficulties for business, lost opportunities for communities, and confusion for consumers.*
- *The fragmented approach to local planning results in a system that is unnecessarily complicated, uncoordinated and lacking in strategic focus.*
- *Some local government boundaries are illogical.*
- *There is a great variation in the size and capacity of local governments.*
- *A large disparity in service levels between different local governments exists.*
- *The structure has limited ability to address region-wide issues.*
- *The current structure will not serve Perth's future needs.*[4]

Fundamentally, the existing arrangements were considered to impede the capacity of local governments to strategically plan for the future of their districts. The Panel recommended that the current metropolitan local government structure be replaced with a structure based on 12 local governments. The report was released by the Minister for Local Government for public comment from October 2012 until April 2013 and 284 submissions were received. These were in addition to more than 450 submissions received by the panel during its year-long review.

1.3 Metropolitan context and regional issues

Latest ABS estimates (for 30 June 2013) are that metropolitan Perth's population is 1.876 million. As at 31 August 2014 there are 30 local governments in Metropolitan Perth. All land in the metropolitan area is an incorporated part of a local government area, with the exception of Kings Park and most of the broader sections of the Swan and Canning Rivers. Local governments vary enormously in size, from 1.5 km^2 to 1,044 km^2, and in population from as little as 1700 to over 223,000, averaging about 62,500. Seven metropolitan local governments have populations below 20,000. This situation is quite unusual compared to other Australian capital cities, reflecting the structural reforms that have occurred in other states, and that have not yet occurred in metropolitan Perth (Table 1).

[4] Metropolitan Local Government Review, Final Report of the Independent Panel, July 2012, p9

Table 1 - Local government in Australia's capital cities

Capital City	Metro. Area (sq. km)	Metro. Population 1991	No. of LGs 1991	Metro. Population 2013	No. of LGs 2013*	Average Population Metro. LG 2013	Notes
Sydney	12,138	3,672,855	44	4,757,083	43	110,629	NSW Review Panel suggests having about 15-18 councils is appropriate for metropolitan Sydney for a future population approaching 7 million (October 2013)[5].
Melbourne	7,692	3,155,576	54	4,347,955	34	127,881	Amalgamation of 54 to 26 in 1993. Broader metropolitan region now includes 34.
Brisbane	5,950	1,357,993	8	2,238,394	6	373,066	Since the creation of the Brisbane City Council in 1925 through merger of 20 smaller local governments, the urban areas of Brisbane have expanded considerably past the City Council boundaries. Now includes City of Brisbane and 5 other councils (excluding Gold Coast and Sunshine Coast).
Perth	5,386	1,188,762	26	1,972,358	31	63,624	City of Perth split in 1993; City of Wanneroo split in 1998.
Adelaide	1,827	1,056,561	30	1,291,666	19	67,982	Amalgamations reduced the number to 18 in 1995. Broader metropolitan region now includes 19.

[5] Revitalising Local Government, Final Report of the NSW Independent Local Government Review Panel, October 2013, p99

Capital City	Metro. Area (sq. km)	Metro. Population 1991	No. of LGs 1991	Metro. Population 2013	No. of LGs 2013*	Average Population Metro. LG 2013	Notes
Hobart	1,357	190,739	5	217,973	5	43,595	2011 recommendation for creation of a City of Greater Hobart.
Darwin	112	86,415	1	136,245	3	45,415	Darwin City Council population 79,588

* Based on ABS definition of the 'greater' metropolitan areas. For example, ABS Greater Perth includes City of Mandurah. (ABS 3218.0 Regional Population Growth). Note 1. Canberra does not have local governments.

Note 2. Based on the Board's recommendations in this report, the average local government population in Greater Perth (including City of Mandurah) would be 116,021 based on 2013 population estimates.

Directions 2031 and Beyond (2010)

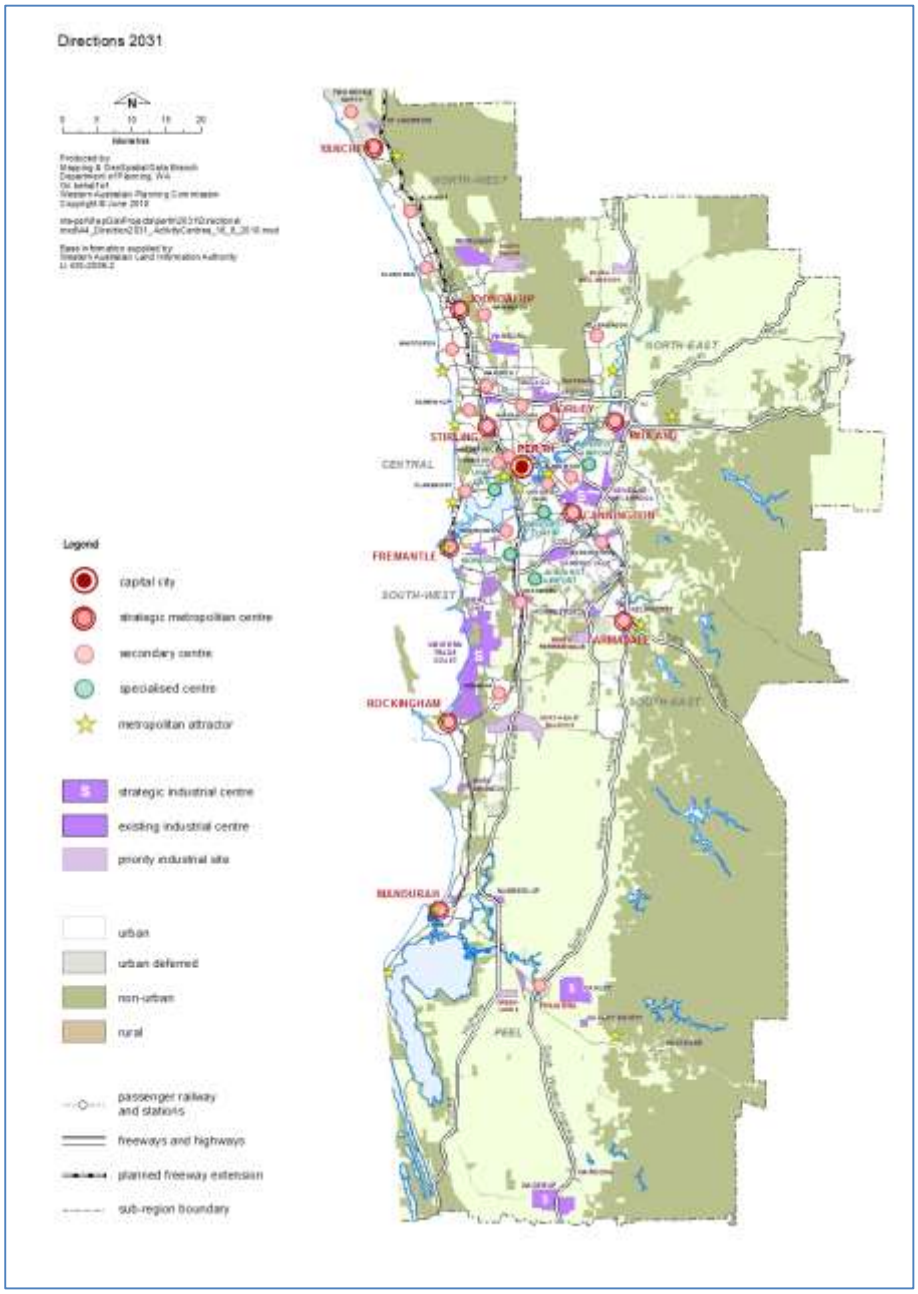
The Metropolitan Local Government Review Panel believed it was important that the new local government structure be linked to the activity centres within the Western Australian Planning Commission's *Directions 2031 and Beyond* planning framework for metropolitan Perth (Figure 1).

"By being focused on an activity centre, in addition to its support for the communities within its district, each local government would be working for the success of that activity centre which would more effectively link the strategic directions of State and local government. The centres will also be the focus for Perth's future development, further making the case for each centre to be the hub for local government. The 12 local government model supports the aims of Directions 2031 by aligning regional, sub-regional and local planning and the roll-out of infrastructure, development of greenfield land, facilitation of infill development, and the development of transport networks"[6]

The Board saw merit in this approach, and the location, role and relationships between activity centres were an important consideration in framing the Board's recommendations.

[6] Metropolitan Local Government Review, Final Report of the Independent Panel, July 2012, p130

Figure 1 - Directions 2031 and beyond



Source: Department of Planning (WA)

Directions 2031 sets employment and housing targets for the sub-regions and the Strategy investigates opportunities for the delivery of the targets and sets strategic priorities for the long-term development of each sub-region. While the State Government provides planning frameworks to address its objectives (such as those

stated in *Directions 2031*), the planning capacity and capability of local governments to implement the objectives varies greatly across the metropolitan area.[7]

Other documents relevant to the metropolitan context noted by the Board included:

- **State Planning Strategy 2050 (2014)**

  The State Planning Strategy provides the strategic context for planning and development decisions throughout the State. The Strategy seeks to build strategic planning capacity and capability around a State planning vision.

- **The Economic and Employment Lands Strategy non-heavy industrial: Perth metropolitan and Peel regions (2012)**

  This strategy focuses on the identification and de-constraining of land suitable for industrial activity for the long term, allowing for an industrial land bank for the future.

- **Public Transport Network Plan "Public Transport for Perth in 2031" (2011)**

  This Plan identifies the public transport network needed to support Perth's growing population and links to and between strategic centres. It also proposes the preferred type of public transport service (mode) and the priorities for infrastructure investment across the network.

- **Sport and Recreation Industry Strategic Directions 5 (SD5) 2011-2015 (2011)**

  WA's sport and recreation industry has been guided by three to five-year strategic directions since 1997, giving the industry a framework in which to operate and develop. It has also guided State Government decision-making and funding directions and has been the catalyst for the achievement of a range of industry outcomes

- **Western Australian Waste Strategy: Creating the right environment (2012)**

  The Waste Strategy is the blueprint for how waste issues are managed in WA.

- **Western Australian State Sustainability Strategy (2003)**

  The State Sustainability Strategy was aimed at shaping and advancing the sustainability agenda throughout Western Australia. The Strategy contained a vision, principles, goals and concepts, and presented global and local views

[7] Metropolitan Local Government Review, Final Report of the Independent Panel, July 2012, p123

and trends on sustainability, to enhance awareness, understanding and promote increased involvement with sustainability directions and initiatives.

Planning reform

All local governments are required by the *Planning and Development Act 2005* to develop local planning strategies and town planning schemes. Local planning schemes set out the way land is to be used and developed, classify areas for land use and include provisions to coordinate infrastructure and development in a locality. Local governments are responsible for planning their local communities by ensuring appropriate planning controls exist for land use and development.

Local governments are required to ensure their schemes are consistent with State and regional planning objectives, including the Metropolitan Region Scheme. Local governments are required to review their schemes every five years, but many are behind schedule.[8]

With 30 local governments in metropolitan Perth, there are multiple planning schemes with different requirements and of different ages, which impact on the landscape and amenity and make it difficult for businesses and developers who operate across different local government areas.

"Each local government dedicates resources to creating and implementing its TPS. Many do not then have the resources to review these schemes as required by law. It is understood that the Department of Planning applies considerable resources to monitor and review each TPS. Many local governments, whilst operating within previously endorsed planning strategies, have over time developed significant variations in development standards, local planning practices and structure plan requirements.

The resources dedicated by both State and local governments to this highly fragmented and complex planning system could be directed elsewhere. Fewer local governments would ultimately result in fewer planning schemes. Beyond cost efficiencies, the benefit of a simplified planning system is greater consistency for business and the community." [9]

A key component of planning reform in Western Australia has been the formation in July 2011 of Development Assessment Panels (DAPs) which are intended to enhance planning expertise in decision making by improving the balance between technical

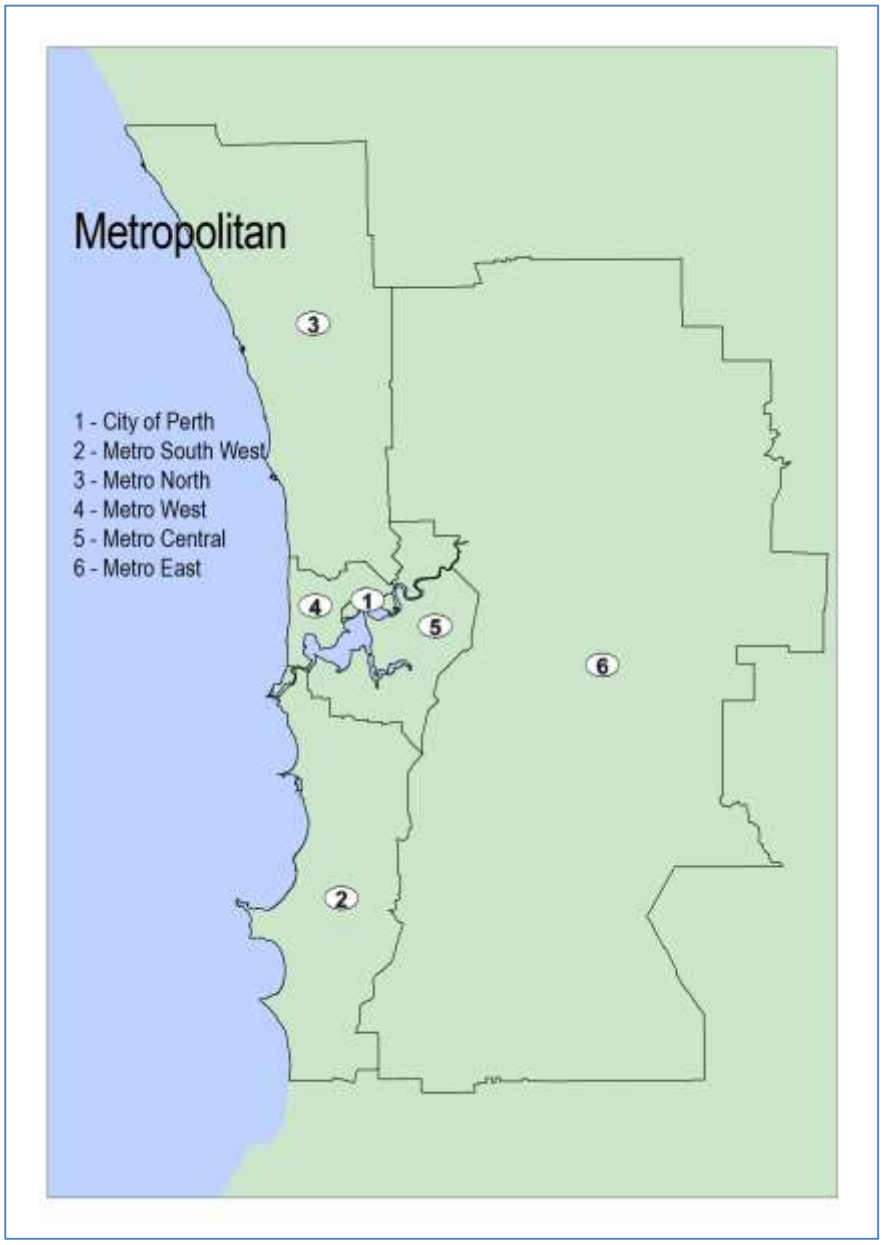
[8] Metropolitan Local Government Review, Final Report of the Independent Panel, July 2012, p49
[9] Metropolitan Local Government Review, Final Report of the Independent Panel, July 2012, p119

advice and local knowledge. Under DAP regulations, each DAP will determine development applications that meet set type and value thresholds as if it were the responsible authority under the relevant planning instrument, such as the local planning scheme or region planning scheme.

Each DAP consists of five panel members, three being specialist members and two local government councillors. An LDAP only has one local government within its boundary area. An LDAP is established to service a single local government, where it is deemed to be a high-growth local government with enough development to support its own DAP. There is currently only one LDAP, for the City of Perth. JDAPs are established to service two or more local governments. There are five JDAPs in metropolitan Perth – central, east, north, south-west, and west.

The Planning Minister announced a second phase of planning reform in August 2014, including changes to the value of the thresholds for DAPs, removing planning approval requirements for R-Code compliant single houses, consistent processing of Development Applications across local governments and the concurrent amendment of the Metropolitan Region Scheme (MRS) and Local Planning Schemes by the Department of Planning and local governments.

Figure 2 - Development Assessment Panels (DAPs) in metropolitan Perth



http://daps.planning.wa.gov.au/default.asp

Demographic characteristics and trends in the metropolitan region

The latest population projections from the ABS has metropolitan Perth increasing to between 2.7 million to 3.1 million by 2026, with further growth to between 4.4 million and 6.6 million in 2061. Perth is projected to experience the highest percentage growth (187%) of Australia's capital cities, increasing to 5.5 million in 2061. The population of metropolitan Perth is projected to overtake that of Brisbane, when they

both reach 3 million people in 2028.[10] Population projections undertaken by Geografia for the Board for the current and proposed local governments (using WA Tomorrow population projections as the base) resulted in a total metropolitan population which is expected to increase to between 2.8 and 3.1 million by 2050.[11] Given the latest metropolitan projections by ABS at the regional level, these local government projections may well turn out to be underestimates in the longer term.

Most of the population growth will occur in the region's outer suburbs, although there will be growth from infill in inner suburbs as well as continuing growth in the City of Perth as more apartments are developed. Directions 2031 has a target of about 328,000 additional dwellings in the metropolitan area by 2031. There is a target for each local government area, including 12,600 in Perth and ranging from 200 (Peppermint Grove) to 31,000 (Stirling) in the Central sub-region, and from 5,000 (Mundaring) to 153,000 (Wanneroo) in the outer metropolitan region.

Directions 2031 seeks a 50 per cent improvement on current infill residential development trends of 30 and 35 per cent; and, has set a target of 47 per cent or 154,000 of the required 328,000 dwellings as infill development.

Directions 2031 seeks a 50 per cent increase in the current average residential density 10 dwellings per gross urban zoned hectare; and, has set a target of 15 dwellings per gross urban zoned hectare of land in new development areas.[12]

If the total number of metropolitan local governments is reduced from 30 to 15, the average municipal population size will increase from around 61,000 in 2014 to 197,000±10,080 in 2050. [13]

While the current (June 2013 estimates) local government populations range from as little as 1700 to over 223,000, the proposals to the Board create local governments ranging in size from 25,425 (Serpentine Jarrahdale) to 213,000 (Stirling) (Table 2).

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[10] http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/3222.0Main%20Features32012%20(base)%20to%202101?opendocument&tabname=Summary&prodno=3222.0&issue=2012%20(base)%20to%202101&num=&view

11 Metropolitan Local Government Reform Demographic Analysis, Geografia 2014, p4

12 *Directions 2031 and beyond*, p4

13 Metropolitan Local Government Reform Demographic Analysis, Geografia 2014, p5

Table 2- Population estimates for all proposals

Proposal Number	Proponent / Local Government	2015	2026	2050
1	Shire of Mundaring	170,422	212,409	289,653
2	City of Swan & Town of Bassendean	197,847	241,195	319,732
3	Town of Claremont	37,114	38,829	41,143
4	Town of Cambridge (1)	46,175	50,055	56,236
5	City of Armadale	96,383	130,752	193,144
6	City of Bayswater	118,702	126,820	138,331
7	City of Canning	209,601	236,636	281,438
8	City of Belmont	102,815	111,270	125,010
9	City of Melville (1)	181,631	191,243	205,701
10	City of Melville (2)	155,160	165,215	181,378
11	City of Stirling	217,421	238,169	271,239
12	City of Fremantle	63,484	70,607	82,049
13	City of South Perth & Town of Victoria Park	99,712	111,303	129,220
14	City of Perth	37,694	51,995	68,160
15	Shire of Kalamunda	102,81	111,270	125,010

Proposal Number	Proponent / Local Government	2015	2026	2050
16	City of Vincent	60,485	77,054	97,378
17	Town of Cambridge (2)	60,893	66,510	75,702
18	City of Gosnells	209,601	236,636	281,438
19	City of Kwinana	76,092	100,069	144,587
20	City of Cockburn	145,462	186,219	260,479
21	Shire of Serpentine Jarrahdale	28,603	45,090	78,169
22	City of Subiaco (1)	56,329	72,740	92,518
24	Town of Mosman Park	60,142	63,053	67,153
25	Shire of Kalamunda (2)	102,815	111,270	125,010
26	City of Perth (2)	49,472	65,058	83,413
E1	Cockburn Community Steering Committee	134,467	181,925	254,702
01/2013	Minister's Proposal - Cities of Perth & Vincent	62,635	79,469	100,243
02/2013	Minister's Proposal - City of Stirling	191,482	209,755	238,879
03/2013	Minister's Proposal - City of Bayswater & Town of Bassendean	108,385	115,272	124,722
04/2013	Minister's Proposal - City of Swan & Shire of Mundaring	170,422	212,409	289,653
05/2013	Minister's Proposal - City of Belmont & Shire of Kalamunda	102,815	111,270	125,010

Proposal Number	Proponent / Local Government	2015	2026	2050
06/2013	Minister's Proposal - City of South Perth & Town of Victoria Park	99,712	111,303	29,220
07/2013	Minister's Proposal - Cities of Canning & Gosnells	175,577	199,086	238,424
08/2013	Minister's Proposal - City of Melville	146,631	155,764	170,484
09/2013	Minister's Proposal - City of Fremantle & Town of East Fremantle	83,024	94,873	114,692
10/2013	Minister's Proposal - Cities of Cockburn & Kwinana	96,686	125,645	178,992
11/2013	Minister's Proposal - City of Armadale & Shire of Serpentine Jarrahdale	96,383	130,752	193,144
12/2013	Minister's Proposal - Western Suburbs	114,050	121,681	133,509

Source; Metropolitan Local government Reform Demographic Analysis, Geografia 2014. Mean estimate of a range of population projections

With the population growth, there will also be a marked increase in the number of seniors, and this will be one of the major demographic transformations to occur across the Perth region. By 2050, there could be more than one million people in Perth aged over 65 and more people aged over 65 than there are under 15. The ageing population has serious implications on key issues such as housing, health and public transport. Addressing these key issues will also have major budgetary and fiscal implications that will affect not only the aged population but the total population. The ageing population of the region presents challenges to both State and local governments in meeting the future needs of this demographic segment. [14] There has been a general decline in household size, and this has implications for the future housing demand and design. The trend is due to a number of factors including the increasing number of people choosing to live alone, declining fertility rate and increase in single parent families. Other factors contributing to these changes are the ageing population combined with the longer life expectancy of women over men.[15]

More detailed demographic information was considered by the Board in respect of each specific proposal, drawing on the analysis commissioned by the Board and undertaken by Geografia.[16]

Service Population

The Board considered 'service population' in addition to the resident population of the existing and proposed local governments. The Cities of Belmont and Subiaco suggested in responses to the 2006 LGAB inquiry that the use of resident population was too simplistic and that the Board consider the concept of 'visiting population' (i.e. the number of people that come in to a local government area to work or access services).[17]

Service population includes the locally employed workforce which impacts on the services in a municipality, as well as day-trippers and tourists, shoppers at major shopping centres, students at higher education institutions, even patients and visitors to major hospital facilities. Service population is not significantly different to resident population in many parts of the Perth region.

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[14] The Profile and Spatial Distribution of Perth's Ageing Population, Veronica Huddleston, FACTBase Bulletin 34, May 2014, Committee for Perth.
[15] http://www.planning.wa.gov.au/dop_pub_pdf/plan_Outer_Metro_Perth_Peel_Part3.pdf p63
[16] Metropolitan Local Government Reform Demographic Analysis, Geografia 2014
[17] Local Government Structural and Electoral Reform in Western Australia, Local Government Advisory Board, April 2006, p48.

The Perth CBD is the single largest worker destination in the metropolitan area, such that the service population of the City on any working day is well in excess of 125,000. The disproportionate number of employees in the City of Perth influences the size of the City's retail and service sector, as well as the size of the City's administration.

Like Perth, Subiaco has more workers working in the area than residents, reflecting the presence of the University of WA (25,000 students and 3,700 staff) and major hospitals (e.g. Queen Elizabeth II Medical Centre has approximately 5,000 staff on site at peak times), together with retail, business and other services. The thousands of people who spend their working lives in places like this could justifiably be considered an important community of interest in their own right.

In addition to major employment nodes like Curtin University (53,000 students and 3,500 staff),[18] there are the additional visitors to different parts of the city in the form of day-trippers from the suburbs and tourists to places like Fremantle. The number of visitors to an area like Subiaco on AFL game days at Patersons Stadium is also significant. The Burswood Resort Casino (reportedly 6,100 employees) attracts 'millions of visitors a year'.[19] Perth Inner, as defined by Tourism Western Australia, has in recent years attracted an average of 607,700 intrastate visitors, 650,300 interstate visitors and 403,400 international visitors, for a total of 1,661,700 visitors and 11.8 million estimated visitor nights.[20] Students are a further component of service population. The City of Perth's economic development strategy reports a figure of 18,618 students studying in the city (with only 1,840 students living in the city).[21]

Journey to work

A significant percentage of the resident population of most metropolitan local governments leave their local area each day to work elsewhere. This is a related concept to service population. Journey to work movements, which are one indicator of communities of interest, were considered in detail for each proposal. One of the key objectives of Directions 2031 is to improve the relationship between where people live and where they work, to reduce commuting time and cost, and the associated impact on transport systems and the environment. Improved levels of employment self-

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[18] http://www.admin.uwa.edu.au/stats/uwabrief/UWA_in_Brief_2013.pdf
[19] http://www.crownresorts.com.au/investors-media/annual-reports 2013
[20] http://www.tourism.wa.gov.au/Publications%20Library/Research/Research%20and%20Reports/LGA%20and%20SA2%20Fact%20Sheets/2012/Perth%20Inner%202012.pdf Perth Inner includes the following areas: Kings Park (WA); Mount Hawthorn – Leederville; Mount Lawley – Inglewood; North Perth; Perth City; Subiaco - Shenton Park; Wembley - West Leederville - Glendalough

[21] City of Perth Economic Development Strategy 2010-2029, 2010, p11.

sufficiency across different local government areas is a key goal for metropolitan Perth. Reinforcing the development of the activity centres is necessary to support employment growth and the equitable distribution of jobs.[22]

Information on the residential location of the local government employees was not available to the Board, but local government employees are likely to reside across the metropolitan area.

Regional groupings of local governments

Local governments in the metropolitan region currently cooperate across a broad range of activities, notably waste management, emergency services and resource sharing. The thirty local governments also participate or are combined in a significant number of regional groupings, such as the following:

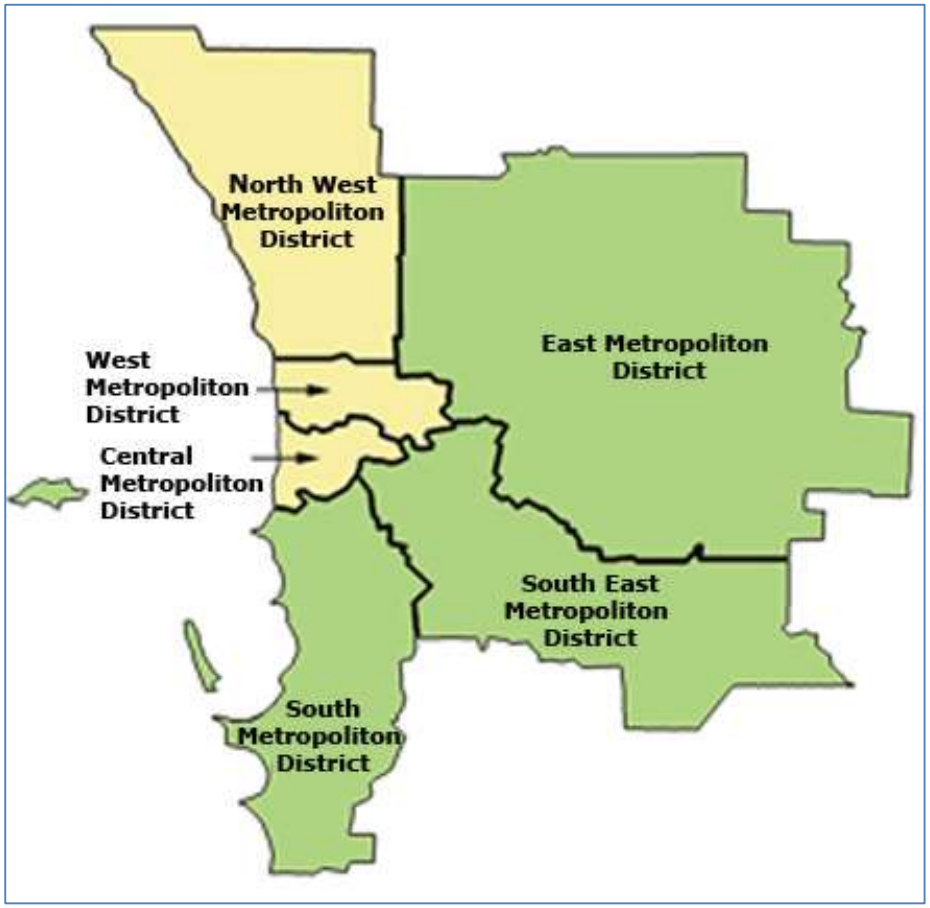
- WALGA Zones
- Regional Councils
- Regional Organisations of Councils
- Regional Road Groups
- Development Assessment Panels (see above)
- Planning Subregions
- Perth Airport Municipalities Group
- C21 Policy Forum (WALGA)
- Australian Bureau of Statistics statistical areas
- Regional Development Australia regions

In emergency management, for example, section 38 of the *Emergency Management Act 2005* requires each local government to establish one or more Local Emergency Management Committees (LEMCs) for the local government's district. However, local governments may unite for the purposes of emergency management and establish one or more LEMC for their combined districts. Most metropolitan local governments have their own LEMC, but there are also joint LEMCs such as Canning-South Perth and Belmont-Victoria Park. In addition the LEMCs come together in a District Emergency Management Committee (DEMC), which is primarily focused on ensuring

[22] Directions 2031 and beyond, p30

that the LEMC strategies align with those of adjacent LEMCs (Figure 3). There are 19 LEMCs and six DEMCs in the metropolitan region.

Figure 3- Department of Fire and Emergency Services (DFES) Metropolitan Districts



https://www.semc.wa.gov.au/about/committeestructure/districtemergencymanagementcommittees/PublishingImages/Metropolitan_large.jpg

In natural resource management (NRM), the Perth Region NRM Inc (SCC) has oversight of the NRM activities of the metropolitan region. Local governments progress their NRM projects through the regional delivery of the Swan Region Strategy for Natural Resource Management (2004). The Strategy, which received Federal and State Government accreditation in 2004, presented a 50 year plan for the coordination of natural resource management in Perth. The Swan Region has been divided into five sub-regions: East, North East, South East, North and Coastal/Marine (Figure 4). The Shire of Serpentine Jarrahdale, along with portions of the Cities of Armadale, Kwinana and Rockingham are part of the Peel-Harvey region.

In April 2013, Perth Region NRM commenced a review of the Swan Region Strategy for NRM. The purpose of the review is to update the contents of the Strategy and capture the changes that have occurred in the nine years since its release in 2004.[23]

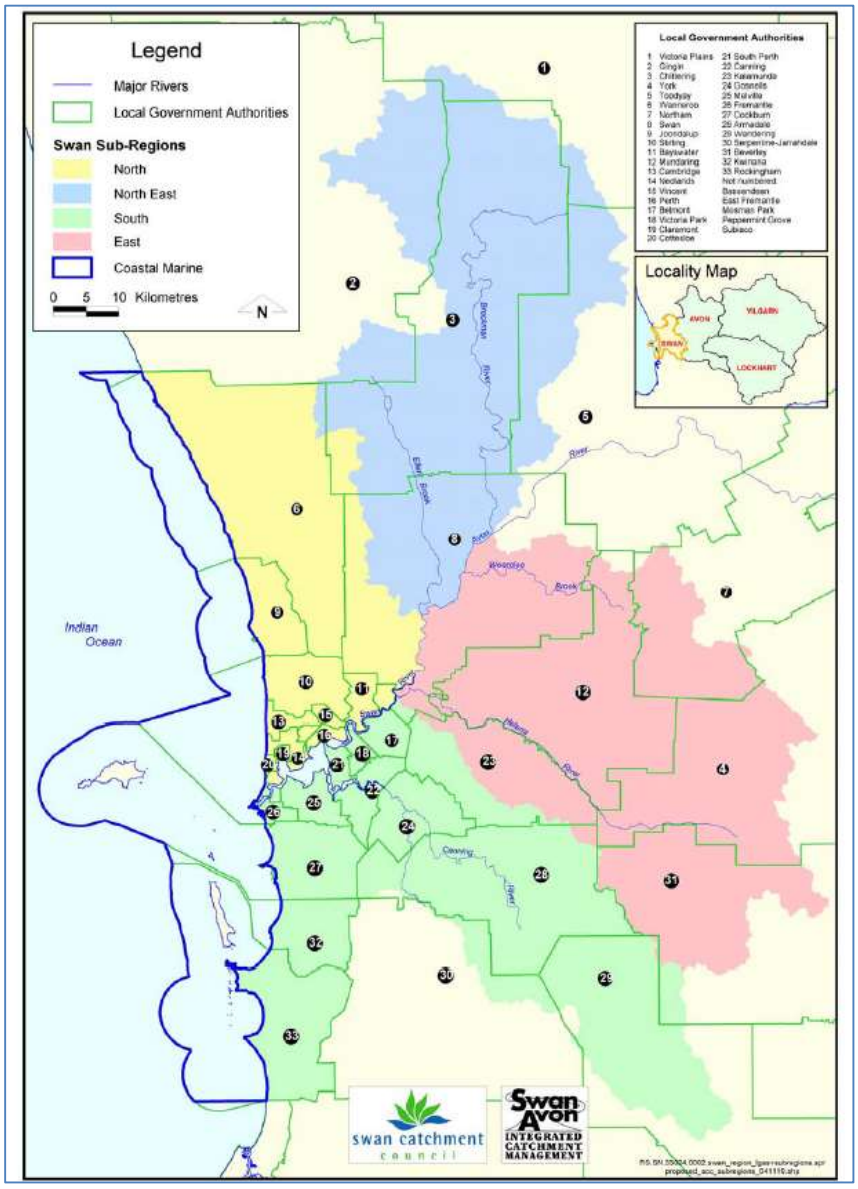
The Strategy aims to ensure that the natural resources of the Swan region will be protected and managed sustainably for the enhancement of the quality of life for present and future generations. The strategy is currently being reviewed. The development of the Strategy was based on the core objectives for:

- Biodiversity Conservation
- Sustainable Use of Natural Resources
- Community Capacity Building and Institutional Change

The MLGR Panel suggested that the consolidation of local government provides potential to address these issues. For example, there are currently 21 local governments covered by the Swan River Trust management area, and the MLGR Panel believed a simplification of Perth's local government arrangements and the increased capacity of larger local governments will help achieve improved outcomes for the Swan and Canning Rivers. [24]

[23] http://www.perthregionnrm.com/community/swan-region-strategy/swan-region-strategy-review.aspx
[24] [1] Metropolitan Local Government Review, Final Report of the Independent Panel, July 2012, p31

Figure 4 - Swan Region Strategy for Natural Resource Management sub-regions



Source: http://www.perthregionnrm.com/community/swan-region-strategy.aspx

In considering the 38 proposals, the Board has noted the various cooperative and regional arrangements that include and affect local governments in metropolitan Perth. Some of these groupings constitute broad communities of interest in their own right.

Integrated Planning Framework

All local governments are currently required to produce a plan for the future under S5.56 (1) of the Act. The minimum requirement to meet the intent of the plan for the future is the development of a Strategic Community Plan and a Corporate Business Plan. Integrated Planning is supported by informing strategies including Asset Management, Long Term Financial Planning and Workforce Planning.

Most metropolitan local governments have largely completed the statutory requirements under the integrated planning framework. The objective of the framework is for local governments to have a stronger focus on place shaping and wellbeing with an increased level of community engagement. The Strategic Community Plan is the overarching plan to guide the Council over the next 10 years. The Plan is broad with a long-term focus and strong emphasis on the community's aspirations, priorities and vision for the future. The Strategic Plan informs the Long Term Financial Plan. At the core of this planning framework is the Corporate Plan for a four year period. These documents provide a foundation for integrating the planning for the future for the new local government entity.

The respective Strategic Community Plans of local governments have been referenced in the Board's determination process.

1.4 Future Perth

The Board is conscious of the fact that Metropolitan Perth is seeing a period of significant public infrastructure development. This includes the new stadium, City Link, Elizabeth Quay, Perth Gateway and new hospitals. Driving this investment is the ongoing population growth of the city, which is the fastest growing capital city in Australia.[25]

The State Government's *Directions 2031 and Beyond* report, published in August 2010, provides the planning framework for managing the predicted population growth. The emphasis is on new growth occurring in a balanced way around a diverse activity centre network, linked by an integrated network supported by a green network for parks and conservation.

The activity centres identified by Directions 2031 in the greater Perth area included 10 strategic metropolitan centres: Armadale, Cannington, Fremantle, Joondalup, Mandurah, Morley, Midland, Stirling, Rockingham and Yanchep (emerging).[26] Strategic metropolitan centres are multi-purpose centres that provide a mix of retail, office, community, entertainment, residential and employment activities, and are well serviced by high frequency public transport. The existing strategic metropolitan centres are spatially distributed throughout the metropolitan region and there is one proposed centre to service future population growth in the north-west corridor at

[25] ABS Media Release, 3 April 2014, 'Capital cities: past, present and future'
[26] Directions 2031 and Beyond, WAPC, Perth 2010, p34-35

Yanchep. The purpose of these centres is to provide a range of housing, services, facilities and activities necessary to support the communities within their catchments, thereby developing the liveability of these centres and reducing the requirement for travel outside the catchment.

Secondary centres form the next tier of the activity centres hierarchy. They share similar characteristics with the strategic metropolitan centres but generally serve smaller catchments and offer a more limited range of services, facilities and employment opportunities. They are also more spatially dispersed and numerous, with 19 in total either existing or planned. Relevant secondary centres for these proposals include Belmont, Booragoon, Claremont, Cockburn, Kwinana, Leederville, Maddington, Subiaco and Victoria Park.[27] Secondary centres are important suburban centres that are generally based around retailers offering a range of convenience and comparison goods and services. While many of these centres are retail dominated, some have emerged to be important mixed use and employment centres. Opportunities exist to encourage more mixed use development in appropriately located centres, especially if they are located on high frequency public transport routes. The continued development of this tier of centres is essential to supplement the network of strategic metropolitan centres, particularly in the outer sub-regions where the population densities are lower and people are more likely to rely on secondary centres.

Directions 2031 has specialised centres such as Perth Airport and Murdoch and a range of lower level neighbourhood centres. In general lower level centre have not been a major consideration by the Board.

Macroplan Dimasi make the point that ‘any work undertaken around the review of local government boundaries especially where it relates to the role of a capital city needs to be considered not only in a spatial context but more importantly a functional role.’ The WA State Planning Strategy focus on global competitiveness, economy, infrastructure planning. ‘Local government governance arrangement will either hinder or enable the capital city local government to deliver the high levels of leadership required of it’. Macroplan Dimasi suggest that ‘future potential conflicts will be reduced if the true capital city functional roles can be contained within an appropriate allocated area’.[28] These are key issues for the metropolitan community in general, and for local communities and local government in particular.

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[27] Ibid
[28] http://www.macroplan.com.au/local-government-boundaries/ accessed 19 June 2014.

Major infrastructure and development projects currently underway in Perth include:

- **Gateway WA**

  Gateway WA Perth Airport and Freight Access Project, located at the southern perimeter of Perth Airport, is WA's largest ever infrastructure project, designed to improve the safety and efficiency of one of the state's most important transport hubs.

- **Elizabeth Quay**

  Delivered through the Metropolitan Redevelopment Authority (MRA) and supported by the City of Perth, Elizabeth Quay covers nearly 10 hectares of prime land and includes a 2.8 hectare inlet to be surrounded by landscaped terraces, boardwalks and promenades, fringed by shops, cafes, restaurants and other exciting entertainment venues. The project will provide new inner-city residential options as well as hotel and short-stay accommodation, and significant additional commercial space.

- **Riverside**

  Located on the banks of the Swan River at East Perth, the 40-hectare Riverside project will transform the eastern gateway into the city. Through the redevelopment plans of the MRA and other key landowners, the area will transform over the next decade into a mix of residential, commercial and public domains. The project will attract $2billion in investment and bring 7000 new residents into the area and attract another 6000 workers.

- **Perth City Link**

  Running east-west across the heart of Perth's city centre, this project reconnects the CBD with Northbridge delivering improved access and connectivity. The regeneration project is a collaboration between three tiers of government, led by State Government authorities the Metropolitan Redevelopment Authority (MRA) and the Public Transport Authority, with the City of Perth and the Federal Government. The 13.5 hectare project is bounded by the Mitchell Freeway, Roe Street, Wellington Street and the Horseshoe Bridge and will have a mix of transit, commercial and retail zones, public spaces and living opportunities. Perth City Link will play a key role in addressing transport and infrastructure issues while meeting the changing needs of an evolving city. Sinking the Wellington Street Bus Station and the Fremantle rail line from the Horseshoe Bridge to King/Lake Streets (completed), will prepare the site for redevelopment

- **West Perth Regeneration Area**

  The West Perth Regeneration Area is part of a larger precinct that includes Oxford Close, City West and the Water Corporation that are bordered by Loftus Street and the Mitchell Freeway. While this area spans the Towns of Vincent and Cambridge and the City of Perth, together it represents over 50 hectares of inner city land that has an extremely low resident population, and a relatively low commercial yield.

Major projects close to completion in the greater Perth region include the Fiona Stanley Hospital, new Children's Hospital and the northern railway extension to Butler. Other major projects proposed include:

- **Metro Area Express (MAX)**

  The proposed MAX light rail network route extends 22km, from Mirrabooka in the north through to the Perth CBD before splitting into two branches – one to the QEII Medical Centre and the other to the Causeway. The core route – chosen because it is in high demand from commuters – runs along Alexander Drive and Fitzgerald Street, linking key educational, retail and leisure centres including Mirrabooka town centre, Edith Cowan University, Centro Dianella shopping centre and the North Perth Town Centre. A proposed second phase could potentially extend the route in future from the QEII Medical Centre to the University of Western Australia and add links to Curtin University and the new Burswood Stadium. The proposed network would service key educational, shopping, health and leisure destinations. Due to budgetary constraints the MAX light rail project has now been deferred considered until 2017.

- **Proposed Roe Highway extension**

  Roe Highway forms a strategic link in Perth's road network, running between the Great Northern Highway in Midland and the Kwinana Freeway in Jandakot. The proposed western extension of the Roe Highway would take it to Stock Road. It is one of the major heavy vehicle routes in the Perth metropolitan area with between 17,000 and 45,000 vehicles per day of which 15 to 20 percent are heavy vehicles. It functions as a high quality ring road, allowing north-south traffic to bypass the Perth CBD and the inner northern and eastern metropolitan suburbs, and was designed to ultimately provide a freight network to the existing Fremantle Inner Harbour, and proposed future Outer Harbour. The Fremantle Ports and associated transport connections are crucial to Perth's economy, with 22 percent of its metropolitan area income depending on exports. And this is anticipated to grow. Freight movement through the

Fremantle Ports Inner Harbour is currently at half capacity and is expected to double by 2016.

- **East Perth Power Station redevelopment**

  Under the guidance of the MRA, the East Perth Power Station project will transform the former industrial site into a vibrant waterfront destination and a community with a mix of living, working and leisure opportunities.

- **Bentley-Curtin Specialised Activity Centre project**

  Curtin University is proposing to transform its Bentley Campus into a dynamic urban centre, and has developed a planning framework for morphing the campus into a vibrant and diverse community. Curtin University is described as a Specialised Activity Centre in Directions 2031. Under the University's proposed Master Plan it is envisaged that the "knowledge city" would ultimately have 40,000 equivalent full-time students, 16,000 residents and a workforce of 18,000.[29]

Other proposed projects include:

- Forrestfield –Airport rail link;
- South Fremantle power station redevelopment project (Cockburn Coast);
- Mitchell Freeway Extension - Burns Beach Road to Hester Avenue;
- the Perth Darwin highway;
- new Perth Museum;
- development of the Alkimos regional centre;
- potential development of Keralup urban area between Rockingham and Mandurah;
- a new outer harbour container port facility in Cockburn Sound; and
- Ocean Reef marina development.

As Perth grows in population and scale, its physical face is changing, movement patterns change, people move into new areas and new communities of interest are created.

[29] https://properties.curtin.edu.au/master-plan/plan.cfm

The Burswood Peninsula

The landscape of the Burswood Peninsula will change significantly in the coming years. The disposition of the Burswood Peninsula is critical to the consideration of a number of proposals, so detailed information was considered. The Burswood Peninsula is currently in the Town of Victoria Park, and under the Minister's proposal is proposed to be split between the City of Perth and the new South Perth / Victoria Park entity. Under the City of Perth proposal, Burswood Peninsula would be wholly within the City of Perth. Under the South Perth / Victoria Park proposal, the peninsula would be wholly within the proposed South Perth / Victoria Park entity.

The University of Western Australia / QEII Medical Centre Activity Centre

The disposition of the University of Western Australia / QEII Medical Centre (QEIIMC) Activity Centre precinct was also critical to the consideration of a number of proposals, so detailed information was considered. UWA is currently split between three local governments (Perth, Subiaco, Nedlands), and the QEMCII between two (Subiaco, Nedlands). Under the Minister's proposal, the activity centre is proposed to be wholly located within the City of Perth. Under the City of Perth proposal an enlarged activity centre precinct is proposed to be located within the City. Depending on the size of the area to be transferred the number of residents affected is likely to be about 2,500. The Minister's and Perth proposals seek a boundary extension in Crawley so that The University of Western Australia is wholly within the City of Perth and not split between three local governments as is the present state.

1.5 Strategic benefits of reform

The Board notes that there are many issues which impact on the need for reform or on the benefits of reform. While the Board looked at each proposal it received on its merits, this was against a background of understanding of the broader considerations as elaborated by various reviews, experts and local governments themselves.

Following its comprehensive review in 2006 of local government structural and electoral reform in Western Australia, the Board stressed in its report, *Ensuring the future sustainability of communities*, the urgency of considering amalgamations to ensure the future sustainability of the local government sector. The Board's view was that some form of structural change was critical to ensuring a robust local government sector that could meet community needs into the future. It argued that while demographic pressures in many local government districts were threatening community sustainability, staff employment and retention pressures were threatening

organisational sustainability within local governments themselves. Similarly, the Board noted that financial deficiencies pointed to future challenges for many local governments in meeting long term infrastructure funding needs.[30]

The Western Australian Local Government Association (WALGA) subsequently released its report, *The Journey: Sustainability into the future*, in December 2006. While wary of interpreting amalgamations as a panacea for all local government sustainability issues, the Systemic Sustainability Study (SSS) Panel recognised their place in the necessary reform of the sector. The analysis of the Panel found problems with financial sustainability, service delivery and capability issues throughout the sector. While the Panel did not consider these problems to reflect the potential failure of any individual local government, it did suggest that they impaired the ability of the sector to meet its responsibilities.[31]

The Local Government Reform (LGR) Steering Committee, in its Final Report to the Minister for Local Government in May 2010, suggested that structural reform would deliver significant benefits to the community, industry and government.[32] These potential benefits were summarised as:

- better services;
- reduced bureaucracy; and
- cost savings.

The LGR Steering Committee concluded that local governments could improve service delivery to the community, and indeed provide a wider range of services, through enhanced economies of scale, the attraction and retention of more professional staff, and a greater capacity to partner with business and other government agencies. The Steering Committee noted a corresponding potential for increased efficiencies in both State and Commonwealth Government agencies from managing fewer relationships and dealing with professional local governments more capable of collaborating on complex projects. Reductions in local government bureaucracies were also considered to facilitate increased efficiencies in planning, building and other approval processes, potentially achieving cost savings which could then be invested in improved services.[33]

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[30] LGAB Report pg 51 to 53
[31] Systemic Sustainability Study: *The Journey: Sustainability into the future*, December 2006, p 10
[32] LGR Steering Committee Report pg 16
[33] LGR Steering Committee Report pg 16

While the Steering Committee noted that its findings on the benefits of structural reform were consistent with past reviews, it asserted that the need for reform was now critical. The Committee cited the constraints placed on local government planning and service delivery by historically derived boundaries and structures of limited relevance to current communities.[34]

Many of the Steering Committee's findings were supported in reports to the Department of Local Government from the City of Greater Geraldton following the amalgamation in 2011 of the districts of Geraldton-Greenough and Mullewa. The new administration cited the integration of key resources to establish consistent service delivery across the new district, and strengthened links between services and programmes of a similar nature.

Among these was the expansion of Geraldton-Greenough community safety and youth programmes to Mullewa, as well as the integration of aboriginal support services across the new district. The City cited its use of 'place managers' to provide direct links to the City for residents of different parts of the new district, while centrally it cited a more professional administration with an increased capacity for strategic and operational planning, and legislative compliance. In particular, it pointed to an enhanced regional profile for the district which facilitated negotiations with both the State and Commonwealth Governments for funding and joint projects such as tourism development. It is worth noting that these benefits were similar to those reported by the Cities of Albany and Kalgoorlie-Boulder during the Board's review of 2006[35].

In its Final Report of July 2012, the MLGR Panel concluded that in addition to illogical boundaries and variations in the size, the existence of thirty separate metropolitan local governments was excessive for the Perth region. In terms of the potential benefits of structural reform to the sector, the Panel principally cited:

- increased strategic capacity for local governments in terms of organisational structure and the attraction and retention of professional staff;
- more equitable distribution of resources and services across the metropolitan area, and corresponding reductions in duplication;
- a streamlined regulatory environment with greater transparency, consistency and certainty;

[34] LGR Steering Committee Report pg 36
[35] Local Government Structural and Electoral Reform in Western Australia, Local Government Advisory Board pg 77-79

- potential for achieving greater economies of scale and scope in infrastructure provision and service delivery; and
- increased capacity for partnering with business and other levels of government to achieve outcomes for the community (both in the sourcing of funding, and in dealing with shared challenges such as planning and environmental management).[36]

Research by the Australian Centre for Excellence in Local Government (ACELG) suggests that amalgamations have the strongest potential to improve organisational efficiencies, service delivery and strategic capacity. Its report of May 2011, *Consolidation in local government*, indicated that regional collaboration and shared service arrangements could also accomplish these objectives, but were less certain to do so consistently. The principal negative impact of amalgamations when compared to regional collaboration was considered to be the potential diminution of local democracy.[37]

In terms of amalgamation processes in other states, the New South Wales Independent Local Government Review Panel argued in its October 2013 report, *Revitalising local government*, that a number of case studies demonstrated enhanced economies of scale and scope through amalgamations, particularly in relation to administrative services and infrastructure management.[38] The report noted, however, that these gains did not necessarily result in rate reductions where cost savings had been invested in further service improvement.

The New South Wales Review Panel emphasised that local government needed greater strategic capacity to plan properly for the future development of localities, to advocate and negotiate on behalf of communities, and to play a stronger role in the wider system of government. With regard to the potential diminution of democracy, the Panel stressed the need to balance local democracy with councils capable of influencing State and Commonwealth decisions for the benefit of their communities. It suggested that mechanisms such as community boards, and new approaches to community engagement and place management, could ensure the preservation of

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[36] MLGR Panel Report pg 113 to 124. The MLGR Panel noted the divergence of opinion on economies of scale, suggesting that the potential for positive results would depend on such variables as the elected leadership, management and organisational capacity of each local government. It noted also arguments that economies of scale were a function of services rather than councils, with some services achieving full economies of scale at a local level while others did so at a regional level.
[37] Aulich, C et al (2011), *Consolidation in local government: a fresh look, Volume 1: Report*, p. 7, http://www.acelg.org.au/upload/Consolidation%20Final%20Report%20Vol%201_web.pdf
[38] Revitalising LG NSW p. 73

community representation, and the identity of local communities within larger council districts.

The Panel did, however, caution that the merging of two or more unviable councils could simply produce a larger unsustainable council, unless complementary actions addressed the fundamental causes of sustainability problems. The SSS Panel in Western Australia had expressed similar concerns that amalgamations would not in themselves resolve underlying issues of fiscal imbalance.[39] While the potential for greater economies of scale was recognised, the SSS Panel opposed the pursuit of economic efficiency at the expense of democratic representation and capacity building. It had argued for emphasis to be placed on 'functional' reform in addition to structural reform, noting that forced amalgamation of local governments without existing capability would provide no guarantee of improvement in a larger merged entity.[40]

The New South Wales Review Panel also noted that boundary changes could be disruptive and that transitional costs could diminish the impacts of cost savings in the early years of a new local government's operation.[41] This was reflected in a review conducted by the Queensland Treasury Corporation into transitional costs following the extensive local government amalgamations across that state in 2008. However, the review indicated that while transitional costs could exceed savings in the short to medium term, all amalgamated local governments that had lodged funding submissions with the State Government demonstrated the necessary liquidity to meet those costs. The Queensland Department of Local Government and Planning suggests that the reform process would deliver significant long term benefits.[42] The Department argued that the creation of larger local governments had strengthened the capacity of the sector to deal with other levels of government and the private sector, and to promote greater economies of scale in infrastructure development.

The benefits of structural reform in terms of resource allocation are a recurring theme of many State Government reviews. However, there is also acceptance in the local government sector, as evidenced in the SSS Panel's report, of the potential benefits in terms of reduced bureaucracy and more cost effective service delivery. While these are not necessarily recognised as automatic consequences of structural reform, they are considered possible if improvements to organisational capacity are used to full advantage.

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[39] SSS Report p 10
[40] SSS Report pp 16 and 50
[41] Revitalising LG NSW p. 73
[42] 2010 *Local Government National Report*, Canberra, 2012,p126

For example, the Shire of Mundaring, in its recent proposal to the Board, argued that there would be significant financial costs associated with any transition to a new entity, but also indicated a potential for amalgamation to result in:

- reduced duplication of existing services, resulting in a wider range of services overall;
- expanded organisational capacity and more effective allocation and use of resources and facilities;
- improved support to community organisations as a result of a more diversified rate base;
- a wider range of skills within the administration; and enhanced capacity to plan and implement major projects; and
- improvements in the capability of larger local governments to enter into partnerships with industry and other levels of government.

The Town of Claremont's proposal to the Board for a merger of four 'western suburbs' local governments also suggested potential for increased operational capacity, and the opportunity to eliminate duplicated expenditures and expand or add services.

It is therefore apparent to the Board that, whether a proposal refers to an amalgamation of a larger metropolitan City with a largely rural Shire, or to the merging of several highly developed inner metropolitan districts, the cited benefits are much the same. However, the Shire of Mundaring emphasised in its proposal that such benefits, while possible, were not guaranteed. Just as the MLGR Panel noted in 2012, the effectiveness of any new local government's elected leadership and executive management would be pivotal to its success.

The State Government has recognised the importance of these factors, complementing its work toward structural reform with a corresponding focus on frameworks for appropriate community engagement and strategic planning by councils and their administrations. The MLGR Panel, while recognising the importance of such frameworks as a foundation for future planning, saw structural reform as an essential step towards more strategic leadership and decision making.[43]

The Board acknowledged the work undertaken by the MLGR Panel. G67

The Board notes that each proposal assessed through these inquiries has been considered on its merits and in consideration of the provisions outlined in the *Local Government Act 1995.*

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[43] MLGR Panel Report pg 23 and 26

2. Local Government Advisory Board

2.1 Role and function of the Board

The Board is a statutory body established under section 2.44 of the Act. Its role is to provide advice to the Minister on constitutional matters such as the establishment of districts, amalgamations, district and ward boundary amendments and councillor representation.

The Board's functions are set out in the provisions contained in section 2.45 of the Act which require that it consider and assess proposals to change local government boundaries and/or their system of representation and make recommendations to the Minister about these proposals. The Board can also inquire into any matter as directed by the Minister.

Clause 12 of Schedule 2.5 of the Act sets out the Board's powers of inquiry and they are as follows:

Powers of Inquiry

(1) For the purposes of carrying out an inquiry under this Act, the Advisory Board may –

(a) by summons signed on behalf of the Advisory Board by its executive officer, require –

(i) the attendance before the Advisory Board of any person;

(ii) the production before the Advisory Board of any document;

(b) inspect any document produced before it, and retain it for such reasonable period as it thinks fit, and make copies of the document or any of its contents;

(c) require any person to swear to truly answer all questions relating to a matter being inquired into by the Advisory Board that are put by or before the Advisory Board (and for that purpose a member of the Advisory Board or its executive officer may administer any oath or affirmation):

(d) require any person appearing before the Advisory Board to answer any relevant question.

(2) A person is not excused from complying with a requirement under subclause (1) on the ground that the answer to a question or the production of a document might be incriminating or render the person liable to a penalty, but an answer given by a person that was required under subclause (1) to be given is not admissible in evidence against the person in any civil or criminal proceedings

other than proceedings for perjury or for an offence against this Act arising out of the false or misleading nature of the answer.

2.2 Membership of the Board

Clause 2 of Schedule 2.5 of the Act makes provision for the membership of the Board and reads as follows:

Membership of Advisory Board

The Advisory Board consists of 5 members appointed by the Governor of whom-

(a) one person is nominated by the Minister;

(b) 2 persons are to be persons having experience as a member of council appointed from a list submitted to the Minister by WALGA under clause 4(1);

(c) one person is to be a person having experience as the chief executive officer of a local government appointed from a list submitted to the Minister by the Local Government Managers Australia WA Division under clause 4(2); and

(d) one person is to be an officer of the Department nominated by the Minister.

Clause 3(1) of Schedule 2.5 of the Act states that the Governor may appoint a deputy for any member appointed under clause 2(b), (c) or (d). Currently four deputy members are appointed to act in the absence of members. A deputy for a member may only be appointed if they are eligible to be appointed to the Board as a member.

The appointments are made by the Governor in Executive Council and will consist of the person nominated by the Minister pursuant to clauses 2(a) and (d) and selected by the Minister from the relevant lists pursuant to clause 2 (b) and (c).

In accordance with Clause 5 of Schedule 2.5 of the Act, the term of office of a member is not to exceed 4 years. A person who has held office as a member may be appointed for a subsequent term.

The current membership of the Board is included in Table 3 below:

Table 3: Current Membership of the Local Government Advisory Board

Membership	Member Name	Deputy Member Name
Chair	Cr Mel Congerton JP	Not applicable
WALGA Nominee	Cr Helen Dullard AM	Cr Richard Smith
WALGA Nominee	Mayor Ron Yuryevich AM RFD	Cr Karen Chappel
LGMA WA Nominee	Dr Shayne Silcox	Mr Mark Chester
Department of Local Government and Communities	Ms Mary Adam (Deputy Chair)	Mr Tim Fowler

The Chair of the Board is to preside at all Board meetings; convene special Board meetings when necessary; facilitate the flow of information and discussion; oversee the induction of new members; speak on behalf of the Board; and liaise with the Minister for Local Government and Director General of the Department of Local Government and Communities. In the event the Chair is not available, the Deputy Chair (Department representative) assumes the responsibility of Chair.

Clause 7 of Schedule 2.5 of the Act requires that a quorum for a meeting of the Board is three, one of whom must be the Chair or in the Chair's absence the member nominated by the Department. Each member present at a Board meeting is entitled to one vote. If a member is disqualified from acting because the matter being considered or inquired into relates to a local government of which he or she is a member, employee or elector, the member is not entitled to act in his capacity as a member in relation to that matter (including voting). Unless a question arising at a meeting is one that is required to be decided by an absolute majority, the question is to be decided by a majority of the votes of the members present and voting.

2.3 Member interests

Clause 7 (7) of Schedule 2.5 of the Act requires that a member be disqualified from acting where the matter being considered or inquired into by the Board is a matter relating to a local government of which the member is an elected member, employee or elector.

At the commencement of each Board meeting, members have the opportunity to declare any conflict of interest. If a member has a conflict of interest, the Chair is responsible for advising the member how the conflict will be dealt with.

Table 4: List of Board member interests

Member	Position	Interest
Cr Mel Congerton	Chair	Elected member and elector of the City of Swan
Ms Mary Adam	Member and Deputy Chair	Elector of the City of Stirling
Mayor Ron Yuryevich	Member	Elected member and elector of the City of Kalgoorlie-Boulder
Cr Helen Dullard	Member	Elected member and elector of the Shire of Mundaring and elector of the City of Vincent
Dr Shayne Silcox	Member	Employee of the City of Melville and elector of the Shire of Kalamunda
Mr Tim Fowler	Deputy Member	Elector of the Shire of Mundaring
Cr Karen Chappel	Deputy Member	Elected member and elector of the Shire of Morawa and elector of the Shire of Perenjori
Cr Richard Smith	Deputy Member	Elected member and elector of the City of Rockingham
Mr Mark Chester	Deputy Member	Employee and elector of the Shire of Dardanup

The availability of a Chair to preside over a group of proposals became an issue during the penultimate deliberations of the Board. The Chair, Cr Mel Congerton, the Deputy Chair, Ms Mary Adam and the deputy member for the Deputy Chair, Mr Tim Fowler were unable to preside due to conflicts of interest for some proposals.

Clause 7 (8) of Schedule 2.5 of the Act allows the Minister, by order, to declare that a member with a conflict of interest is not disqualified. An order can only be made if the Minister considers it necessary to enable the Board to perform its functions properly.

The Minister recommended the making of the Governors Order, pursuant to clause 7(8) of Schedule 2.5 of the Act, declaring that clause 7(7) of Schedule 2.5 of the Act would not apply to members of the Board in order for it to finalise its deliberations on the proposals under consideration.

The Order was approved by the Executive Council on 6 June 2014 and published in a special edition of the *Government Gazette* on 9 June 2014. The Order took effect on 9 June 2014.

3. Conducting the Inquiries

In the period following the Minister's announcement of the Metropolitan Reform Agenda, the Board received an unprecedented number of proposals.

The Board was tasked with assessing a group of proposals which spanned almost the entire metropolitan area. The situation was complicated by the fact that many proposals applied to the same area and directly conflicted with each other.

The Board concluded that it would be unreasonable to make a recommendation on one proposal before assessing other related proposals.

In light of this conclusion, the Board decided that the only reasonable way to conduct the inquiries was to assess each related proposal concurrently.

The Board met in December 2013 and resolved to establish the Metropolitan Local Government District Inquiries to inquire into each of the proposals received by the Board.

3.1 Statutory Requirements

Making a proposal

A proposal for amending local government district boundaries may be made by electors, local governments or the Minister.

Clause 2(2) of Schedule 2.1 of the Act sets out the requirements for proposals for amalgamations and boundary amendments and reads as follows:

(1) A proposal may be made to the Advisory Board by —

(a) the Minister;

(b) an affected local government;

(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;

(b) be accompanied by a plan illustrating any proposed changes to the boundaries of a district; and

(c) comply with any regulations about proposals.

Provisions for dealing with proposals are set out in clause 3 of Schedule 2.1 of the Act and reads as follows:

(1) The Advisory Board is to consider any proposal.

(2) The Advisory Board may, in a written report to the Minister, recommend that the Minister reject a proposal if, in the Board's opinion —*

(a) the proposal is substantially similar in effect to a proposal on which the Board has made a recommendation to the Minister within the period of 2 years immediately before the proposal is made;

(aa) where the proposal was made by affected electors under clause 2(1)(d), that the majority of those electors no longer support the proposal; or

(b) the proposal is frivolous or otherwise not in the interests of good government.

** Absolute majority required.*

(3) If, in the Advisory Board's opinion, the proposal is —

(a) one of a minor nature; and

(b) not one about which public submissions need be invited, the Board may, in a written report to the Minister, recommend that the Minister reject the proposal or that an order be made in accordance with the proposal.*

** Absolute majority required.*

(4) Unless it makes a recommendation under subclause (2) or (3), the Advisory Board is to formally inquire into the proposal.

Notice of Inquiry

Once a valid proposal has been submitted to the Board it must consider the proposal and determine the most appropriate treatment for the proposal.

If the Board determines that the provisions of clause 3 (2) and (3) of schedule 2 .1 do not apply, it is required to formally inquire into the proposal.

The first step in commencing the formal inquiry process is to publish a notice of inquiry which advises affected local governments and electors that an inquiry will be conducted and provides details of the inquiry and its proposed scope. The relevant provisions are contained in Clause 4 of Schedule 2.1 of the Act and read as follows:

(1) Where a formal inquiry is required the Advisory Board is to give —

(a) notice to affected local governments, affected electors and the other electors of districts directly affected by the proposal; and

(b) a report to the Minister.

(2) The notice and report under subclause (1) are to —

(a) advise that there will be a formal inquiry into the proposal;

(b) set out details of the inquiry and its proposed scope; and

(c) advise that submissions may be made to the Board not later than 6 weeks after the date the notice is first given about —

the proposal; or

(i) the scope of the inquiry.

(3) If, after considering submissions made under subclause (2)(c), the Advisory Board decides that the scope of the formal inquiry is to be significantly different from that set out in the notice and report under subclause (1), it is to give —*

(a) another notice to affected local governments, affected electors and the other electors of districts directly affected by the proposal; and

(b) another report to the Minister.

(4) The notice and report under subclause (3) are to —

(a) set out the revised scope of the inquiry; and

(b) advise that further submissions about the proposal, or submissions about matters relevant to the revised scope of the inquiry, may be made to the Board within the time set out in the notice.

Conduct of Inquiry

The manner in which a formal inquiry is to be conducted is subject to the statutory requirements as set out in Schedules 2.1 of the Act:

- Public hearings and meeting with stakeholders

The Act allows the Board to exercise discretion in relation to holding any hearings which the Board deems necessary for the purposes of an inquiry. These hearings may

include meetings with specific stakeholders or the holding of forums attended by the general community.

If the Board decides to hold a hearing, the Act provides that the hearing must be conducted in a way that makes it as easy as possible for interested parties to fully participate.

- Public submissions

  The Act requires that where a formal inquiry is conducted by the Board it must include a six week submission period.

  When the Board commences a formal inquiry, it is required to advertise a notice of inquiry which includes information about the submission process.

  The Act provides that all submissions received by the Board during a submission period must be considered by the Board as part of its deliberations on a proposal.

  The Board may have regard to issues raised in late submissions if it thinks they may be relevant to its deliberations although the submissions themselves are not ones which it is bound to consider pursuant to clause 5 (2).

- Conflict of interest

  Clause 7(7) of Schedule 2.5 of the Act provides that:

  "a member of the Board is disqualified from acting where the matter being considered or inquired into by the Board is a matter relating to a local government to which the Member is a member, employee or elector."

  Unless a conflict of interest directly relates to a Board member's status as an elector, employee or council member, they will not be disqualified from acting under clause 7(7) of Schedule 2.5 of the Act.

  If a Board member is disqualified from acting on a proposal, the Act provides that the member's deputy may act and vote on the member's behalf.

- Assessment process

  In carrying out a formal inquiry the Board is required to consider submissions made under clause 4(2)(c) of Schedule 2.1 of the Act and have regard under clause 5 (2), where applicable to the following matters:

  a) Community of interests

b) Physical and topographic features

c) Demographic trends

d) Economic factors

e) The history of the area

f) Transport and communication

g) Matters affecting the viability of local governments, and

h) The effective delivery of local government services.

The Board may also take into consideration any other matters it considers relevant.

Other than the above criteria, the Act and regulations do not prescribe how a proposal should be assessed.

The assessment process adopted by the Board is guided by, and subject to the requirements contained in the Act and regulations.

- Name, representation and ward boundaries

  When the Board makes recommendations to the Minister about changing local government district boundaries, it can, at the same time make recommendations on the name and structure of wards, the number of councillors and the name of the new or restructured local government.

  The Board may consult with the public and interested parties to such extent as it considers appropriate when making recommendations on these issues.

  When considering matters in respect of wards the Board is to take into account the following matters –

  a) Community of interests;

  b) Physical and topographical features;

  c) Demographic trends

  d) Economic factors; and

  e) The ratio of councillors to electors in the various wards.

- Protection

The Act provides that no liability attaches to a member for any act or omission by the member or on the member's part by the Advisory Board that occurred in good faith and in the performance of the member's or the Board's functions under the Act.

- Recommendations

  After assessing a proposal the Board in a written report to the Minister is to recommend -

  a) That the Minister reject the proposal;

  b) That an order be made in accordance with the proposal; or

  c) If it thinks fit, the making of some other order.

  It is possible for the Board to make a recommendation to the Minister for orders to be made that are significantly different from the proposal into which it inquired.

  In these circumstances the Board is required to:

  - Give notice to the local governments and electors who will be affected by the alternative proposal;
  - Provide adequate opportunity for submissions to be made; and
  - Consider all the submissions that are made.

  The Board may determine whether an intended recommendation for an order which will amend a district boundary which is not within the proposal in question into which it has formally inquired is "significantly different" from the original proposal. If it is "significantly different" the Board is required to consult under clause 6(2) and must allow a reasonable time for submissions.

Minister's recommendations

Once the Board has submitted its report on an inquiry to the Minister he is required to take either of the following actions in relation to each recommendation:

a) Accept the Board's recommendation; or

b) Reject the Board's recommendation.

Should the Board recommend that any proposal for the making of orders be rejected, the Minister is required to accept that recommendation.

The Minister can only make recommendations for the making of orders to the Governor where such orders have been recommended by the Board. As stated above, the Minister can accept or reject the Board's recommendations but cannot change them.

Conflicts of interest

Clause 7(7) of Schedule 2.5 of the Act provides that:

"a member of the Board is disqualified from acting where the matter being considered or inquired into by the Board is a matter relating to a local government to which the Member is a member, employee or elector."

Prior to the Board deliberating on any proposals, all members were required to declare any interests to ensure compliance with the above clause.

Once the Board started deliberating on proposals, a rigorous process was implemented to ensure that Board members were excluded from deliberations on proposals where they had an interest.

As the Board progressed with its Inquiries it became apparent that in the final stages of its deliberations it would have to finalise its recommendations from a "whole of metropolitan area" perspective. To this end, the Board decided that in order to achieve this outcome it would be necessary to pursue an order under clause 7(8) of Schedule 2.5 of the Act, which states -

"The Minister may, by order, declare that subclause (7) does not apply in relation to a matter or class of matters specified in the order, and that order has effect according to its terms."

Clause 7(9) of Schedule 2.5 requires that an order should not be made unless the Minister concludes that the order is necessary to enable the Board to perform its functions properly under the Act.

On 9 June 2014, an order under clause 7(8) was processed which allowed Board members to participate in deliberations to finalise its recommendations. It should be noted that while this order was in place, members still elected to excuse themselves from deliberations on proposals unless their attendance was considered essential from a 'whole of metropolitan area" perspective. These circumstances included:

- allowing the Board to consider proposals where conflict of interest would otherwise have prevented the Board from achieving a quorum; and
- allowing the entire Board to meet and endorse the final report;

In all other cases, the Board members continued to remove themselves from deliberations during a meeting when normal issues of conflict arose.

3.2 Inquiry Process

The Board conducted its inquiries into the 38 proposals in accordance with the relevant provisions of the Act.[44] The process is outlined below -

Public advertisement

In the initial stages of the Inquiries the Board took steps to inform affected local governments, the public and other stakeholders about the Inquiries by:

- publishing a notice of inquiry in relevant newspapers;
- developing an information paper to inform and assist any interested parties in making a submission to the Board on the Inquiries; and
- calling for public submissions over a statutory six week period.

Public submissions

The Board facilitated the public submission period by introducing the following services:

- making available an online submission form;
- receiving written submissions by mail, fax or email; or
- accepting submissions over the telephone.

A dedicated telephone service was also established to assist individuals with difficulties accessing information or making submissions.

Late submissions

The Board continued to receive submissions after the end of the public submission period.

The Board may have regard to issues raised in late submissions if it thinks they may be relevant to its deliberations although the submissions themselves are not ones which it is bound to consider pursuant to clause 5(2). It did so in this case given the diverse and complex nature of the Inquiries.

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[44] Maps of all proposals received by the Board can be found in Appendix 2.

Online information

During the course of the Board's Inquiries, a large volume of information about the Inquiries was made available on its website.

The website included a broad range of information on the nature and process of the inquiries and provided direct access to the information papers and electronic copies of maps relating to each proposal. Links were also provided to the respective local government websites where their proposals could be viewed.

Meetings with stakeholders

During the course of the Inquiries, members of the Board met with each of the affected local governments. It also met with a number of key stakeholder groups.

Public Hearings

Shortly after establishing the Inquiries, the Board decided that it would not conduct public hearings for the following reasons:

- the public had been extensively consulted during the Metropolitan Local Government Review process;
- the Board determined that an inordinately high number of hearings would be required and the logistics associated with holding these hearings would be prohibitive; and
- the Board took steps to provide the community with more convenient ways of accessing relevant information and providing submissions.

Additional proposals

During the initial public submission period, the Board received four additional proposals from the City of Perth, City of Subiaco, Town of Mosman Park and Shire of Kalamunda.

The Board considered each of these new proposals and resolved to formally inquire into all four as part of the Metropolitan Local Government District Inquiries.

A new notice of inquiry and a further six week public submission period was held for these additional proposals.

A further proposal was received from the City of Cockburn on 5 August 2014. The Board resolved to defer any action on this proposal until after the current Inquiries are completed.

3.3 Board's approach

Assessment

A major challenge for the Board during the course of these Inquiries was the large number of proposals and the conflicting issues around related proposals.

In order to address these issues the Board adopted the following approach:

(a) assess each proposal individually;
(b) to defer any decision on a proposal until the assessments of all other related proposals were completed; and
(c) to consider the metropolitan area from a strategic and holistic perspective.

Assessment process

The Board developed an assessment methodology to ensure that each proposal would be assessed in a thorough and consistent manner.

The assessment methodology adopted by the Board was applied to each of the 38 proposals as part of its formal inquiries into all proposals.

A decision by the Board to recommend a particular proposal to the Minister would require that it recommend rejection of all related proposals.

The assessment methodology was constructed around the assessment criteria under clause 5 (2) of Schedule 2.1 of the Act. The methodology ensured a comprehensive assessment of each proposal, culminating in a comparative assessment with other relevant proposals.

After considering all the information prepared for the Board's consideration, the Board engaged in a series of regular intensive meetings over a two week period to deliberate on the proposals with a view to reducing them to a single proposal for each area.

The Board's assessment of each proposal is outlined in Section 6.1 to 6.10 of this report. During this period, the Board members excluded themselves from meetings whenever the Board was deliberating on a matter where the member had a conflict of interest.

By late May 2014, the Board had assessed all 38 proposals and there was in-principle agreement on the majority of the physical boundaries of the proposed new and restructured metropolitan local governments.

Some minor amendments to boundaries were required to the Board's preferred proposals and these were subject to further deliberation by the Board in June 2014. The Board then made amendments to the preferred proposals where necessary to ensure that the final boundaries recommended by the Board encompassed the entire metropolitan area.

Alternative proposals

During the Board's discussions and meetings with local governments and other stakeholders, clarity was sought in relation to the capacity of the Board to make recommendations about proposals which were significantly different from the original proposals lodged with the Board.

One issue that was often misunderstood by the majority of affected local governments is that the Board cannot create its own proposals. It can only receive a proposal from the Minister for Local Government, an affected local government, two or more affected local governments or affected electors numbering 250 or 10% of effected electors, whichever is the lesser.

The Board does, however have the capacity to make a recommendation for an order that is different to a proposal under consideration. In these circumstances, if the difference is minor there are no statutory implications. If the difference is significant, the following provisions as set out in clause 6(2) of Schedule 2.1 of the Act apply:

The Advisory Board is not to recommend to the Minister the making of an order that is significantly different from the proposal into which it formally inquired unless the Board has –

(a) given notice to affected local governments, affected electors and the other electors of the districts directly affected by the recommendation of its intention to do so; and*

(b) afforded adequate opportunity for submissions to be made about the intended order; and

(c) considered any submissions made.

** Absolute majority required*

The Board must determine whether an intended recommendation for an order which will amend a district boundary which is not within the proposal in question into which it has formally inquired is "significantly different" from the original proposal. If it is "significantly different" the Board is required to consult under clause 6 (2).

In addition to assessing all proposals, the Board also considered whether the proposals could be further improved. In particular, the Board considered the following principles:

- a proposal might be improved in a way which makes the proposed boundary more logical; and
- a proposal might need to be amended to ensure that the proposed boundaries do not conflict with other proposals recommended by the Board.

Of the proposals under consideration, three were subject to a “significantly different” recommendation by the Board, these included:

1. Proposal 5 (submitted by the City of Armadale)
2. Proposal 10 (submitted by the City of Melville)
3. Proposal E1 (submitted by the Cockburn Community Steering Committee)

Further detail on the outcome of the assessment for each of these proposals is included in Section 6 of this Report.

Clause 6(2) of Schedule 2.1 requires that the Board give notice to affected local governments and affected electors if it intends making a recommendation for the making of orders that are significantly different from those proposed in the original proposal.

After that notice has been given and a reasonable period is allowed for the receipt of submissions the Board is to consider any submissions received prior to making its recommendations to the Minister. The Board elected for a three week submission period for the first submission period under clause 6(2).

A further submission period was required under this clause and the Board elected for a two week submission period. Further information on this submission period will be included in the addendum to this Report.

Final recommendations

Throughout the process the Board was conscious that dealing with such a large number of proposals concurrently could increase the potential for conflict between related proposals.

In order to address this issue, the Board refrained from making its final recommendations until after it had assessed each proposal and then reduced the number of proposals to those that were considered “preferred proposals”.

During its deliberations the Board made a number of minor adjustments to the proposed boundaries. It also made some significant changes which required further submission periods as required by the Act.

4. Consultation

4.1 Notice of Inquiry

When the Board resolves to undertake a formal inquiry into a proposal or proposals to amend the boundaries of one or more local governments it is required under the Act to give notice to affected local governments, affected electors and electors of districts directly affected by the proposal/s.

The notice of inquiry informs those affected by the proposals that the Board will undertake a formal inquiry into the proposal/s, the details of the inquiry and its proposed scope. The Act also requires that a six week submission period be given to allow interested parties to make submissions to the Board about the proposal/s.

The Notice of Inquiry for the initial 34 proposals was advertised on 29 January 2014 and 5 February 2014 in *The West Australian* and all suburban newspapers. The Notice was also advertised in all community newspapers on 4 February 2014 and 11 February 2014. The notice of inquiry covered the 21 proposals received from local governments, 12 from the Minister for Local Government and one proposal from electors of the City of Cockburn.

The Board received an additional four proposals from the Shire of Kalamunda, Town of Mosman Park, City of Perth and City of Subiaco between February and April 2014 and subsequently resolved to undertake formal inquiries into each one as part of the Metropolitan Local Government District Inquiries. To accommodate these proposals a further notice of inquiry was advertised on 14 and 21 May 2014 in *The West Australian* and relevant community and suburban newspapers from 19 May 2014.

The Board was also required on two occasions to give notice to affected local governments and affected electors under clause 6(2) of Schedule 2.1 of the Act where it intended making a recommendation to the Minister for Local Government for an order that was significantly different from the proposals into which it formally inquired.

The first of the two notices under clause 6(2) related to three proposals directly affecting the following local governments:

- Shire of Serpentine Jarrahdale, Shire of Murray and the City of Armadale
- City of Melville
- City of Cockburn and the City of Kwinana

This notice was advertised on 23 July 2014 in *The West Australian* and relevant community and suburban newspapers from 24 July 2014.

The second of the two notices under clause 6(2) related to two proposals directly affecting the following local governments:

- City of Melville
- City of Cockburn and the City of Kwinana

This notice was advertised on 30 August 2014 in *The West Australian* and relevant community and suburban newspapers from 30 August 2014.

Copies of all the above notices are included at Appendix 5.

4.2 Call for submissions

The Board conducted an extensive public consultation process in accordance with clause 4(2)(c) of Schedule 2.1 of the Act.

A six week public submission period for the initial 34 proposals commenced on 29 January 2014 and concluded at 4pm on 13 March 2014.

A second six week public submission period for the additional four proposals commenced on 14 May 2014 and concluded at 4pm on 26 June 2014.

The Board prepared information papers for the two public submission periods under clause 4(2)(c). These contained information about the inquiry process and provided guidance on how to prepare a submission. To assist anyone interested in making a submission, the Board's webpage also provided information and detailed maps of all the proposals.

The submission period conducted under clause 6(2) of Schedule 2.1 of the Act ran for a three week period which commenced on 23 July 2014 and concluded at 4pm on 14 August 2014. A further submission period under clause 6(2) of Schedule 2.1 will close on 15 September 2104.

Meetings with affected local governments

From the beginning of the Inquiries the Board put a high priority on engagement with local governments. The Board met with each of the 29 affected local governments at least once, and with some more than once.

In the early stages of the Inquiries the Board convened meetings with each local government at either their respective administration centre or at the Department to discuss their proposals, the inquiry process and any other issues considered relevant.

These meetings were attended by several Board members, the Board's Executive Officer and support staff from the Department. Local government attendees varied but most meetings were attended by the Chief Executive Officer, Mayor or President, elected members and local government staff. Board members did not attend meetings where a conflict of interest existed.

The meetings provided an opportunity for the local governments to convey to the Board their views about their own proposals and those that impacted on their local government. The Board responded to a wide range of questions which included elaboration on its inquiry process, merger mechanisms, representation, employees and many other issues around implementation.

From the Board's perspective the meetings were a valuable source of information as well as an effective consultation mechanism. The meetings provided the Board with an in-depth understanding of the many issues and concerns prevalent amongst the affected local governments.

Details of the meetings are as follows:

Table 5: Dates of Board's meetings with local governments and other groups

Meeting Date	Local Governments / Groups
Thursday 16 January 2014	Town of Mosman Park
Wednesday 19 February 2014	City of Perth City of Vincent City of Bayswater
Thursday 20 February 2014	Shire of Kalamunda Town of Bassendean Town of Cambridge
Friday 21 February 2014	Town of Cottesloe Shire of Peppermint Grove Town of Claremont

Meeting Date	Local Governments / Groups
Monday 24 February 2014	Shire of Serpentine Jarrahdale City of Armadale City of Gosnells
Tuesday 25 February 2014	City of Kwinana City of Cockburn City of Melville
Wednesday 26 February 2014	City of Canning City of Belmont Town of Victoria Park
Thursday 27 February 2014	City of Nedlands City of Subiaco City of South Perth
Tuesday 4 March 2014	Shire of Mundaring City of Swan City of Stirling
Wednesday 5 March 2014	City of Fremantle Town of East Fremantle Town of Mosman Park
Thursday 6 March 2014	Shire of Murray
Thursday 20 March 2014	City of Rockingham
Tuesday 25 March 2014	Cockburn Community Proposal Steering Committee
Thursday 27 March 2014	Kwinana, Melville and Fremantle Local Implementation Committee
Thursday 3 April 2014	South Perth and Victoria Park Local Implementation Committee
Monday 23 June 2014	Town of Cambridge and Town of Vincent

Meeting Date	Local Governments / Groups
Monday 21 July 2014	City of Armadale and Shire of Serpentine Jarrahdale City of Cockburn and City of Kwinana City of Melville
Monday 4 August 2014	City of Kwinana
Monday 11 August 2014	Shire of Murray
Tuesday 12 August 2014	Cockburn Community Proposal Steering Committee City of Melville
Wednesday 13 August 2014	City of Armadale City of Canning City of Cockburn
Thursday 14 August 2014	City of Gosnells

Meetings with key stakeholders

During the Inquiries the Board also met with various key stakeholders. These meetings were largely informal and provided stakeholders with an opportunity to address any concerns, most of which related to the management of key infrastructure and privately owned facilities and how service delivery by local governments in these areas could be improved and enhanced.

Details of the meetings are as follows:

Table 6: Dates of Board's meetings with key stakeholders

Meeting Date	Stakeholder
Thursday 3 April 2014	Perth Racing WA
Monday 23 June 2014	Perth Airport
Monday 21 July 2014	Western Australian Local Government Association
Monday 4 August 2014	Jandakot Airport Holdings
Monday 11 August 2014	Kwinana Industries Council

Response to call for submissions

Local governments, individual members of the public and a variety of stakeholders lodged submissions with the Board. Submissions were received in a number of formats, including online submission forms, mail, fax, email and telephone.

The Board received 59,355 submissions in the first submission period, 1479 submissions in the second submission period and 3556 submissions in the third submission period.

Many of the submissions included comment on more than one proposal hence the high number of submissions received in the first submission period. Understandably, the subsequent submission periods resulted in far less submissions due to the number of proposals on which submissions were sought.

The majority of submissions received during the submission periods were pre-prepared forms produced by local governments and elector groups. For the second and third submission period, the Board introduced an online submission form on its website which allowed submissions to be more readily collated.

4.3 Analysing the submissions

The Board received submissions on all the proposals it received. There was a broad mix of opposition and support for the proposals which was not an unexpected result.

Across the board, the submissions generally expressed opposition to the majority of proposals. The Board received a large number of submissions initiated or promoted by local governments or community groups using pre-prepared forms which included explicit support for, or opposition to, particular proposals.

It should be noted that the figures included in the tables below do not necessarily reflect the number of physical submissions received, or the number of individuals who lodged submissions. In these instances a single submission is recognised where explicit comment or support or opposition is expressed for a particular proposal. As an example if a submission was received from an individual that commented, supported or opposed three different proposals this was treated as three discrete submissions.

Table 7: Analysis of submissions

Proposal Number	Proposal	Support	Oppose
Proposal 1	Shire of Mundaring	125	41
Proposal 2	City of Swan and Town of Bassendean	5	34
Proposal 3	Town of Claremont	35	195
Proposal 4	Town of Cambridge (2)	2	52
Proposal 5	City of Armadale	10	253
Proposal 6	City of Bayswater	10	23
Proposal 7	City of Canning	8	151
Proposal 8	City of Belmont	134	3,580
Proposal 9	City of Melville (1)	14	38
Proposal 10	City of Melville (2)	16	116
Proposal 11	City of Stirling	2	13
Proposal 12	City of Fremantle	9	40
Proposal 13	City of South Perth and Town of Victoria Park	1,602	75
Proposal 14	City of Perth	35	266
Proposal 15	Shire of Kalamunda	2,942	939
Proposal 16	City of Vincent	293	42
Proposal 17	Town of Cambridge (2)	35	183
Proposal 18	City of Gosnells	3	10
Proposal 19	City of Kwinana	8	17
Proposal 20	City of Cockburn	47	1,118
Proposal 21	Shire of Serpentine Jarrahdale	104	11
Proposal 22	City of Subiaco (1)	10	40
Proposal 24	Town of Mosman Park	10	29
Proposal 25	Shire of Kalamunda (2)	9	52
Proposal 26	City of Perth (2)	16	42
Proposal 01/2013	Cities of Perth and Vincent	30	215

Proposal Number	Proposal	Support	Oppose
Proposal 02/2013	City of Stirling	134	381
Proposal 03/2013	City of Bayswater and Town of Bassendean	7	37
Proposal 04/2013	City of Swan and Shire of Mundaring	11	79
Proposal 05/2013	City of Belmont and Shire of Kalamunda	134	4,045
Proposal 06/2013	City of South Perth and Town of Victoria Park	6	1,289
Proposal 07/2013	Cities of Canning and Gosnells	29	2,083
Proposal 08/2013	City of Melville	3	73
Proposal 09/2013	City of Fremantle and Town of East Fremantle	10	39
Proposal 10/2013	Cities of Cockburn and Kwinana	1,338	3,962
Proposal 11/2013	City of Armadale and Shire of Serpentine Jarrahdale	16	277
Proposal 12/2013	Western Suburbs	30	347
Proposal E1	Cockburn Community Steering Committee	3,800	1,118
Proposal 5 (Intended Recommendation)	City of Armadale	7	36
Proposal 10 (Intended Recommendation)	City of Melville	1,705	1,409
Proposal E1 (Intended Recommendation)	Cockburn Community Steering Committee	55	354

Understandably, members of the public tended to lodge submissions about proposals affecting the local government in which they are a resident or ratepayer.

The majority of submissions from the public and from community organisations expressed negative perceptions around communities of interest, matters affecting the viability of local governments and the effective delivery of services by local governments.

The potential for service disruption during the formation process of any new local government administrations was also a frequent and recurrent theme identified in the public submissions.

Submissions from key stakeholders

Various submissions were received from:

- community associations and organisations;
- government and statutory agencies;
- elected representatives;
- facilities and institutions; and
- business and industry related organisations.

A number of submissions were received from community organisations that expressed general support or opposition in relation to the proposed local government reforms, rather than responding to a particular proposal.

Submissions from local governments and business and industry organisations have a pronounced focus on physical, topographic and economic factors. Particular emphasis has also been placed on the need for consistent controls over planning and development. Concern over rating inequities has also been a recurrent theme in many of the submissions received from local governments.

Petitions

Various petitions were received from several stakeholders including community organisations and individuals on behalf of residents. It should be noted that these petitions do not have any statutory basis and were treated by the Board only as an indicator of public support for, or opposition to a particular proposal.

Table 8: Analysis of Petitions

Proposal Number	Proposal	Support	Oppose
Proposal 5	City of Armadale	0	69
Proposal 8	City of Belmont	0	6
Proposal 10	City of Melville (2)	0	610
Proposal 12	City of Fremantle	0	326
Proposal 19	City of Kwinana	0	342
Proposal 20	City of Cockburn	0	343
Proposal 21	Shire of Serpentine Jarrahdale	0	57
Proposal 02/2013	City of Stirling	0	340
Proposal 07/2013	Cities of Canning and Gosnells	0	2530
Proposal 08/2013	City of Melville	0	344
Proposal 09/2013	City of Fremantle and Town of East Fremantle	0	358
Proposal 10/2013	Cities of Cockburn and Kwinana	0	702
Proposal 11/2013	City of Armadale and Shire of Serpentine Jarrahdale	0	69
Proposal E1	Cockburn Community Steering Committee	369	0

5. Local Government Advisory Board Assessment Process

5.1 Overview

One of the Major complexities facing the Board during the course of these Inquiries was the substantial number of proposals and the subtle and major differences between proposals covering like areas.

As mentioned previously, the Board decided on the following approach to address these issues:

a) assess each proposal individually;
b) to defer any decision on a proposal until the assessments of all other related proposals were completed; and
c) to consider the metropolitan area from a strategic and holistic perspective;

Assessing the proposals

The process of assessing all the proposals received by the Board for these inquiries was consistent with previous formal inquiries, notwithstanding that it was required to assess 38 individual proposals concurrently.

The process ensured that each proposal was assessed separately, culminating in the recommendations contained within this report.

The staff that were providing assistance to the Board were responsible for researching and collating information about the proposals and the affected local governments. Numerous papers were prepared and presented to the Board to assist it in its deliberations. The Board members were required to familiarise themselves with a constant supply of documents and information prior to each of its meetings.

Every effort was made to ensure the Board had ready access to detailed qualitative and quantitative information about all the affected local governments to facilitate its decision making processes throughout the Inquiries.

The Board implemented a rigorous process for assessing each of the proposals while at the same time observing non-negotiable levels of confidentiality and adherence to the necessary protocols associated with member's interests.

As part of the overall assessment of each proposal, the Board applied a methodology reflective of the criteria under clause 5 (2) of Schedule 2.1 of the Act, namely:

(a) Community of interests

(b) Physical and topographic features

(c) Demographic trends

(d) Economic factors

(e) The history of the area

(f) Transport and communication

(g) Matters affecting the viability of local governments, and

(h) The effective delivery of local government services.

Community of interest

The Board has taken the view that community of interest can be generated within districts and localities where people share common interests/ values/ characteristics /issues giving rise to a sense of identity or community. The shared use of community facilities, such as sporting, leisure and library facilities creates a focus for the community and contributes to a sense of community. Shopping areas and schools also draw in people, so their catchment areas can be a relevant indicator. This can also give insight into how people travel to access services and facilities.

Neighbourhoods, suburbs and towns are important units in the physical, historical and social infrastructure and often generate a feeling of community and belonging. There are 30 local governments in metropolitan Perth but probably hundreds of communities of interest. Some communities of interest are the result of the existing local government structure, and if that structure changes, so might these particular communities of interest.

However, the Board has previously expressed the view that the external boundaries of a local government should reflect distinct communities of interest wherever possible. While it is possible to compile an extensive range of possible indicators of community of interest, data availability limits the range of indicators that can be used. Given available information, the Board examined a number of indicators for evidence of community of interest, including the following:

- **Educational facilities and catchments**

  The Department of Education defines local intake areas for government schools, and maps are available via the Department’s website.

- **Journey to work patterns (see discussion above)**

The Perth labour market is a highly integrated system, and it is possible to live in one suburb and work in a central location such as the CBD or another suburb at the opposite end of the metropolitan area. Journey to work movements, sourced from Census data, can be an indicator of communities of interest.

- **Newspaper circulation areas**

In addition to the State-wide newspapers circulating in the region (The West Australian, The Sunday Times, The Australian), there are numerous suburban papers distributed free to residences and businesses. Many of the current papers reflect the existing local government areas (singly or in combination).

- **State Electoral Districts**

In general, electoral districts are of relevance to community of interest, but this is limited by the requirement for districts to have populations +/- 15% of the quotient (24,058 for the 2013 election). The process of boundary delineation is therefore primarily numbers driven, although the *Electoral Distribution Act 1947* prescribes a number of matters which must be given due consideration, including community of interests and existing local government boundaries. Electoral boundaries change approximately every eight years.

- **Commonwealth Electoral Divisions**

These divisions are defined in a similar manner to the State electoral districts, being primarily driven by need for relatively equal numbers of electors, but having regard to such matters as community of interests and existing local government boundaries.

- **Public transport**

Where people rely on a common public transport link, a community of interest can be engendered around standards of services, routes and destinations.

Physical and topographical features

Physical and topographic features may be natural or manmade and will vary from area to area. They may include:

- water features (such as rivers)
- water catchment boundaries
- coastal plains and foothills
- parks and reserves, and

- manmade features (such as railway lines or freeways).

These features can form strong boundaries and can also act as barriers to movement between adjoining areas. In many cases these physical and topographical features can be appropriate district and ward boundaries.

To the extent possible, the Board has endeavoured when finalising boundaries for this review to fix boundary anomalies where current boundaries split suburbs or followed property boundaries. Where boundaries have been amended and those amendments follow a road or roads, the boundary will be defined by the centre of the road.

The Board also decided to adopt the midpoint of the Swan and Canning River (where appropriate) as the boundary between local governments. At present, most of the river area falls outside of local government boundaries. The Swan River around East Fremantle is a notable exception. There is a precedent through the Australian Electoral Commission for using the river midpoint as the boundary. By adopting the middle of the river as the boundary, the statutory roles of other bodies such as the Swan River Trust and Department of Transport are not affected, but it does mean that local government would have a role in approving developments over the river and extending local laws out to the adjacent river. It also means that all bridges crossing the river will be wholly within local government areas compared to the current situation where the over water section of most bridges falls outside of the adjacent local government area.

Demographic trends

The following demographic characteristics were considered significant:

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

Current and projected population factors will be relevant as well as similarities and differences between areas within the local government.

The Board considered detailed demographic information for each proposal, and demographic experts Geografia was commissioned by the Board after a public tender process for the purpose of generating the detailed data from the 2011 Census for the specific proposal areas.

Economic Factors

Economic factors can include any factor that reflects the character of economic activities and resources in the area including:

- industries within the local area;
- distribution of community assets, and
- infrastructure.

The Board considered detailed information on local economies and local infrastructure as well as local government strategic planning commitment to economic development and asset management. Particular attention was given to the effect of boundary proposals on the distribution of local government infrastructure and community assets.

History of the area

The history of an area can be a relevant consideration, although the Board believes that in the majority of cases this will not be a primary justification for changing or retaining local governments and local government boundaries. The nature of historical ties between communities is important to understand, irrespective of where the local government boundaries lie. A community within a local government may have a strong historical identity; alternatively there may be strong historical links between two or more communities in adjacent local governments.

It is important to note that historical identity is not necessarily lessened if an area does not have its own local government. In general, the Board considered that the history of local government and the history of particular communities are not lost through boundary change. Rather any boundary changes that proceed can be seen as the closing of one chapter in local history and the opening of a new chapter.

Heritage is a significant consideration in many areas of Perth, and was raised by many local government and community respondents during the review. The Board noted the extensive heritage commitments by the current local governments and in general it believes that there are sufficient heritage protection measures in place as well as community interest to safeguard any heritage affected by the proposed boundary changes.

Transport and communication

The transport and communication linkages between towns and other areas may be a significant barrier to movement and therefore an appropriate boundary between local governments.

Consideration of the following factors is important in any assessment of local government boundaries:

- port access ;
- neighbouring towns;
- railways, and
- major roads.

The Perth central area is a major workforce destination and the primary activity centre hence it is the main focus of public transport in the metropolitan region. It is served by bus, rail and ferry services. Rail links extend out towards the outer northern, eastern, southern and western suburbs with many activity centres acting as hubs and interchanges for feeder bus services. Planning for the integration of transport is a key consideration.

Matters affecting the viability of local governments

Local governments should have a significant resource base:

- to be able to efficiently and effectively exercise its proper functions and delegated powers and operate facilities and services
- to be flexible and responsive in the exercise of its functions and powers and operation of its facilities and services
- to employ appropriate professional expertise and skills, and
- to be capable of embracing micro-economic reform.

Each local government should have a diverse and sufficient rate base to ensure that general purpose grants do not represent the major revenue source.

Most metropolitan local governments are minimum grant councils under the Local Government Grants Commission’s methodology, suggesting that in general there are sufficient financial resources across the metropolitan area to meet community needs. Through improved financial planning and asset management practices local governments have become increasingly aware of their financial requirements into the future. Most have completed long term financial plans. Nevertheless, the impact of the boundary proposals on the viability of local governments is a critical consideration.

The Board had extensive access to financial sustainability analyses undertaken by the Western Australian Treasury Corporation. These analyses were undertaken for both the existing local governments and for the proposed local governments, and the

outcomes are reported in the sections dealing with the specific proposals. The assistance of local governments in providing data to facilitate the analysis is acknowledged.

The effective delivery of local government services

A broad range of factors can be relevant to the effective delivery of local government services and these are often directly relevant to those that also affect the viability of local governments. They include:

- the size and geographical spread of the population;
- management effectiveness and efficiency;
- the availability of staff expertise;
- appropriate infrastructure and equipment; and
- customer satisfaction and feedback.

The proposed boundary amendments have some major implications for management of local government infrastructure, although any change in local government arrangements in the region is unlikely to negatively affect this infrastructure, and the amenity enjoyed by residents of this area is unlikely to be lessened.

The Board considered detailed information on the services local governments provided to their communities. Particular attention was given to the effect of boundary proposals on the equitable access to and contribution to local government services.

Other matters

Clause 4(2)(c) of Schedule 2.1 of the Act does not limit the matters which the Board may take into consideration to inform its decision making process. The Board has the power to consider any matter which the Board deems relevant to its inquiries.

Assessment methodology

The Board’s methodology was constructed around a number of indicators it developed against each of the above criteria. These indicators were then assessed against each of the above criteria, resulting in the identification of favourable and non-favourable outcomes. Using this information the Board then assessed the relative consequences against each of the criteria and compared the results with other related proposals to determine its preferred proposals.

When the Board commenced the Inquiries it was cognisant of the challenges around delivering its report to the Minister in accordance with the established time frame. The

Board identified three tasks in particular where external assistance was identified as a priority and they were: a means of assessing the financial sustainability of the existing local governments and the new and restructured entities, constructing demographic profiles for the new and restructured entities and processing the substantial volume of submissions received during the course of the Inquiries.

In order to address the above issues, the following arrangements were put in place:

- The Western Australian Treasury Corporation (WATC) was engaged to undertake an assessment of the financial sustainability of each of the proposals based on the seven financial ratios included in Regulation 50 of the *Local Government (Financial Management) Regulations 1996*.
- The consulting firm Geografia was engaged to construct detailed demographic profiles for each proposal across 29 separate demographic features. This demographic information has been included in various sections throughout this report.
- Fuji-Xerox was engaged to provide data input services.

Western Australian Treasury Corporation (WATC) financial modelling

The methodology developed by the WATC to assess the financial sustainability of existing local governments and the new or restructured entities was developed using the following seven financial ratios contained in the *Local Government (Financial Management) Regulations 1996*. The seven ratios are:

1. Current Ratio;
2. Asset Consumption Ratio;
3. Asset Renewal Funding Ratio;
4. Asset Sustainability Funding Ratio;
5. Debt Service Cover Ratio;
6. Operating Surplus Ratio; and
7. Own Source Revenue Coverage Ratio

An overview of each of the ratios is provided below:

1. **Current Ratio** – indicates the capacity of a local government to meet short term financial obligations for its unrestricted current assets.

Liquidity refers to how quickly and economically an asset can be converted into cash. A local government's liquidity is measured by the Current Ratio which provides information on the ability of a local government to meet its short-term financial obligations out of unrestricted current assets.

2. **Asset Consumption Ratio** – measures the extent to which a local government's depreciable assets have been consumed.

   This ratio seeks to highlight the aged condition of a local government's stock of physical assets.

3. **Asset Renewal Funding Ratio** – indicates whether the local government has the financial capacity to fund asset renewal.

   This ratio indicates whether a local government has the financial capacity to fund asset renewal as required and can continue to provide existing levels of services in the future without additional operating income or reductions in operating expenses.

4. **Asset Sustainability Funding Ratio** – indicates whether a local government is replacing or renewing existing non-financial assets at the same rate of depletion.

   This ratio is an approximation of the extent to which assets managed by a local government are being replaced as they reach the end of their useful lives.

5. **Debt Service Cover Ratio** – measures a local government's capacity to meet its debt obligations.

   A local government's ability to service debt is measured by the Debt Service Cover Ratio which is a measure of a local government's ability to produce sufficient cash to cover its debt payments.

6. **Operating Surplus Ratio** – measures a local government's ability to cover its operational costs.

   A key indicator of a local government's financial performance is measured by the Operating Surplus Ratio. If a local government consistently generates a positive operating surplus ratio and has sound long term financial plans showing that it can continue to do so in the future then it is considered financially sustainable.

7. **Own Source Revenue Coverage Ratio** –measures a local government's capacity to cover costs through its own revenue raising efforts.

   A local government's ability to cover its costs through its own taxing and revenue efforts is measured by the Own Source Revenue Coverage Ratio.

Financial sustainability has varying definitions and is not rigorously defined in statute or in more common use when considering local government. However, local government financial sustainability has been examined by others including the NSW Treasury Corporation which defines financial sustainability as;

"A local government will be financially over the long term when it is able to generate sufficient funds to provide the levels of service and infrastructure agreed with its community".

After lengthy deliberations it was decided that the WATC would use the seven financial ratios to analyse and rank the financial sustainability of local governments within the Perth metropolitan area. The assessments of existing, and proposed amalgamated and restructured local governments were based on the historical, current and projected values of these statutory ratios.

To assist the WATC with its analysis all affected local governments were required to provide historical financial data and business plan projections for the future periods (2010 - 2017) to facilitate the analysis. As the forward business plans were for 10 years, the data provided was often outside the period 2010 – 2017. Data outside this period was not included in the analyses.

For some years the data was not available to calculate some of the recently introduced ratio values. For example, at the time of finalising the analysis, the asset renewal funding ratio has only been able to be calculated for 2013 and 2014. Consequently the assessment needed to accommodate the issue of missing data.

In other instances a local government may have deviated from the stated definition of a financial ratio by including or excluding certain line items when publishing its ratio values or it may have reported or amalgamated items in different categories in their financial statements.

The WATC relied on the underlying financial data approved by the Department of Local Government and Communities and used this data to try and replicate the reported financial ratios where possible. In some instances the WATC was unable to replicate the local government ratios. As there is a need to consider financial sustainability both before and after the proposed restructuring, the WATC chose to use the ratios calculated from the base data rather than the financial ratios calculated and provided by the local governments to ensure that the 'before' and 'after' ratios were calculated using the same assumptions.

The methodology devised for assessing WA local governments has three components:

1. Seven scoring functions that take the given financial ratios in a financial year and convert each one into a numerical score between 0 and 10.
2. Seven ratio importance weights (that sum to one) are applied to each of the numerical scores so that when the weighted scores are summed, a financial sustainability score is produced for that financial year with a value between 0 and 10.
3. A series of time weightings (that again sum to one) are applied to each year's financial sustainability score, so that less weight is given to an assessment based on older data.

The weights for each of the financial ratios were determined using information contained in qualitative questionnaires completed by local government experts on the relative importance of each ratio. The scores produced in the period 2010 – 2013 recognise that greater weight is attached to more recent data. A score of 70+ is considered average. A score of 80+ is considered good.

It should be noted that the financial data used by the WATC for calculating the financial sustainability scores for current, new and restructured local governments was supplied by the affected local governments.

To add a degree or perspective to the methodology, the WATC have provided the following elaboration:

"To better understand how the financial sustainability of a local government can be assessed, local government experts at the Queensland Treasury Corporation (QTC) and New South Wales Treasury Corporation (NSWTC) were consulted. These organisations have undertaken studies of the financial sustainability of their respective local governments over the past five years. An important distinction, however, is that the purpose of those studies was to assess the financial sustainability of existing local governments, rather than proposed future amalgamated local governments. QTC has also analysed de-amalgamation of selected local governments; however, these local QLD governments had only recently been merged within the prior four years and in most cases had extensive base data available and applicable prior to the merger.

The assessment of the financial sustainability of a local government by QTC and the NSWTC relies strongly on expert opinion within a structured assessment framework. QTC in particular has a team of local government analysts that provide credit assessments and financial sustainability assessments of all local governments on behalf on the Queensland Department of Local Government. QTC will also interview local government management and councillors as part of their assessments. It should

be acknowledged that the timeframe under which the Local Government Advisory Board is currently conducting its Inquiries did not permit access to local governments.

NSWTC on the other hand, while incorporating qualitative factors such as the strength of local government management and other factors, has a methodology with a well-defined quantitative assessment component based on ten financial ratios. Given the brief to assess financial sustainability based solely on the seven W.A. financial ratios, an analogous methodology to that of NSWTC was deemed most appropriate."

The financial sustainability scores for current and proposed local governments are included in Section 4 of the Appendices.

Demographic profile modelling

The Board is required to have regard to demographic trends when inquiring into proposals for boundary amendments. Given the magnitude of the proposed changes and the number of proposals being dealt with by the Board, it decided to outsource the preparation of demographic profiles for each of the proposals.

Following a formal quotation process, Geografia was engaged to construct the demographic profiles for the proposals for use by the Board as part of its formal assessment process. The information contained in the profiles has been referenced throughout this report to indicate the demographic makeup of the proposed new or restructured local governments.

The demographic categories and sub-categories contained in the profiles are as follows:

Table 9 - Demographic categories and sub-categories in the demographic profile modelling prepared by Geografia

Demographic categories	Sub-categories
Population	Population Median age Median household income Median personal income Proportion of Australian citizens

Demographic categories	Sub-categories
Age	Proportion age 0-4 Proportion age 15-19 Proportion age 65+
Education	Total university qualified School enrolments
Dwellings	Unoccupied dwellings Total dwellings Household size
Culture, heritage and language	Proportion Indigenous persons Proportion born in Australia Proportion arrived in last 5 years Proportion with limited English skills
Disability	Dependents in need of assistance Working age in need of assistance Retirees in need of assistance

An important component of Geografia's work included population projections from 2015 to 2050 for each of the proposals. Population projections from 2015 to 2026 were prepared using the WA Tomorrow population report published by the Western Australian Planning Commission. Geografia then applied its own methodology to forecast population for each of the proposals from 2026 to 2050.

Data analysis

In order to address the large number of submissions, the majority of which were either online or pre-printed forms, the Board decided to outsource the processing of the submissions received in these formats. A formal quotation process resulted in the appointment of Fuji-Xerox to collate the information using an OCR (optical character recognition) based solution.

5.2 Boundary adjustment or amalgamation

Of the 38 proposals received by the Board, there were varying approaches to a merger mechanism. Some proponents preferred merging by way of amalgamation while others elected for a boundary amendment.

This difference between the two mechanisms initially caused some confusion and remained a contentious issue throughout the Inquiries. The local governments potentially facing subsumption as a result of a boundary amendment expressed concern about balanced representation, positive workplace culture and the equitable treatment of staff.

The Act makes frequent reference to “boundary changes” (amendments) but the term “amalgamation” is only mentioned once in the Act within clause 8 of Schedule 2.1, wherein it states –

“Where the Advisory Board recommends to the Minister the making of an order to abolish 2 or more districts (the districts) and amalgamate them into one or more districts, the Board is to give notice (right to a poll) to affected local governments, affected electors and the other electors affected by the districts directly affected by the recommendations about the recommendation.”

The Act does not contain a definition of an amalgamation. Clause 8 only requires the abolition of 2 or more districts as a pre-requisite for amalgamation. The only other defined characteristic is that the electors of the districts that are to be abolished can request a poll if the Board recommends an amalgamation.

While both merger mechanisms are a slightly different means to the same end, the adoption of one in preference to the other does have implications. Regardless of which mechanism is adopted, many of the issues associated with merging organisations will for the most part be substantially the same.

The principle differences when considering an amalgamation or a boundary amendment are as follows:

Amalgamation

- The existing local governments are abolished.
- A new local government is established.
- Electors have the right to request a poll in the event of a recommendation by the Board to amalgamate two or more local governments.

- The councils of the amalgamating local governments will be disestablished.

Boundary amendment

- One of the local governments involved in the merger will be the continuing entity.
- The local governments that are subsumed into the continuing entity will be abolished.
- The council of the continuing entity will continue and the councils of the abolished local governments will be disestablished.
- If the merger only requires abolition of one local government, the electors of the abolished local government will not be able to request a poll in the event of a recommendation by the Board to merge the two local governments.

Implementation and transition issues

Perhaps the biggest challenge facing merging organisations is the process of managing the “people” issues. Regardless of whether the merger is achieved through amalgamation or boundary amendment, the issues and processes are essentially the same for both boundary amendments and amalgamations.

Technically there is not a great deal of difference between the two modes of transition other than the poll provisions. Regardless of which option is recommended, effective change management strategies will be integral to the success of any merger process.

Regulation 6 and 7 of the *Local Government (Constitution) Regulations 1998* contains the relevant provisions for dealing with a wide range of issues during the transition process for both an amalgamation and a boundary amendment.

During the course of the Inquiries, the issue of boundary amendment versus amalgamation was a constant and contentious issue for the Board. The arguments rejecting boundary amendments as alluded to earlier are principally concerned with ensuring balanced representation, positive workplace culture and the equitable treatment of staff. While these are considerations, they are not considered reasons in themselves to reject the boundary amendment as a merger mechanism.

The board determined that where a particular proposal was assessed as its preferred option it would give significant weight to the view of the proponent with respect to the particular merger option which would be suitable as an element in reaching its conclusion on that question.

5.3 Wards, representation, names and other matters

In order to progress the changes to district boundaries, the Board can make recommendations under clause 10A of Schedule 2.1 to do certain things as a result of an order under section 2.1 of the Act.

The matters relate to wards, representation and naming of the local government.

It should be noted that the name of the local government will only be an issue in the event of an amalgamation unless an ongoing local government requests a change in name under the provisions of the Act.

Reference to the method of electing the mayor or president is also covered in this section although this is not an issue that is dependent on a recommendation by the Board. Many of the affected local governments have provided information to the Board on their preferences in relation to this issue and this material will be referred to the Department of Local Government and Communities for consideration when preparing the Governor's Orders.

During its deliberations on these matters the Board decided to progress them in accordance with the following criteria:

Wards

Amalgamation:

- If the affected local governments have agreed on a ward structure and names of the wards, the Board will recommend accordingly.
- If the affected local governments have requested different ward structures, the Board will recommend a district ward.
- If none of the affected local governments have submitted a request for a ward structure, the Board will recommend a district ward.
- If one of the affected local governments has submitted a ward structure but the other/s have not, the Board will recommend that ward structure.

Boundary Amendment:

As above

Representation

Amalgamation:

- If the affected local governments have agreed on the number of councillors, the Board will recommend accordingly.
- If the local governments have submitted requests for different councillor numbers, the Board will accept the higher number.
- If only one of the affected local governments have submitted a request for councillor numbers, the Board will recommend accordingly.
- If none of the local governments have submitted requests for councillor numbers the Board will determine the number of councillors.

Boundary Amendment:

As above

Name of the local government

Amalgamation:

- If the affected local governments agree on a name and the name is compliant with the Act, the Board will recommend accordingly.
- If only one of the affected local governments submits a request for a name and it is compliant with the Act, the Board will recommend accordingly.
- If none of the affected local governments submit a request for a name, the Board will recommend a name.

Boundary Amendment:

- The name of the continuing local government will not change unless the continuing local government proposes a name change under Clause 5(c) of Schedule 2.2 of the Act.

Method of electing Mayor or President

All information provided to the Board by the affected local governments regarding the method of electing the mayor or president will be referred to the Department of Local Government and Communities for consideration during the preparation of orders.

6. Assessment of Proposals

6.1 Inquiries into proposals affecting the City of Perth, City of Subiaco and the City of Vincent

Overview of relevant proposals

This section presents the findings of the Board's Inquiries into proposals affecting the Cities of Perth, Subiaco and Vincent.

Primary:

01/2013 Minister's Proposal: Boundary adjustment by inclusion most of Vincent, part of Victoria Park (Burswood), part of Nedlands and Subiaco (UWA and QEII)

14. City of Perth proposal 1: Boundary amendment by inclusion of part of Vincent, inclusion of Burswood Peninsula, and Nedlands Crawley health/education precinct.

16. City of Vincent proposal: Amalgamation of Perth and Vincent**.**

22. City of Subiaco proposal: Boundary amendment to the City of Perth by inclusion of all of Subiaco, part of Vincent, Nedlands and the Burswood Peninsula.

26. City of Perth proposal 2: Boundary amendment by inclusion of part of Vincent, inclusion of Burswood Peninsula, and parts of Subiaco and Nedlands.

Secondary:

03/2013 Minister's Proposal: Proposed boundary adjustment to the City of Bayswater to incorporate the Town of Bassendean and parts of the Cities of Stirling, Swan and Vincent. (For recommendation see Section 6.3)

4. Town of Cambridge proposal 1: Proposed a boundary amendment to incorporate localities from the City of Stirling and boundary amendments with the Cities of Nedlands and Subiaco. (For recommendation see Section 6.10)

6. City of Bayswater proposal: Amalgamation of Bassendean and Bayswater, inclusion of East Perth (part) and Mount Lawley (part) from City of Vincent and parts of the Cities of Stirling and Swan. (For recommendation see Section 6.3)

12/2013 Minister's Proposal: Proposed amalgamation of the Towns of Cambridge, Claremont, Cottesloe, Mosman Park, Cities of Nedlands and Subiaco and the Shire of Peppermint Grove, including a boundary amendment to incorporate into the Town of Cambridge localities from the City of Stirling. (For recommendation see Section 6.10)

17. Town of Cambridge proposal 2: Proposed boundary amendment to incorporate the localities of Churchlands, Herdsman, Wembley, Wembley Downs, and Woodlands (part) located in the City of Stirling. The proposal also includes incorporating most of the City of Subiaco and a boundary amendment with the City of Nedlands. (For recommendation see Section 6.10)

24. Town of Mosman Park proposal: Amalgamation of Mosman Park, Claremont, Cottesloe, Peppermint Grove, most of Nedlands, portion of Cambridge, Fremantle, Perth and Subiaco. (For recommendation see Section 6.10)

Table 10 - Proposals to Local Government Advisory Board affecting the Cities of Perth, Subiaco and Vincent

Proposal number	Proposal name	Population estimate	Revenue estimate
14	City of Perth proposal (1)	32,600	Not stated
26	City of Perth proposal (2)	46,200	Not stated
16	City of Vincent proposal	55,600	$220.4m
22	City of Subiaco proposal	52,900	Not stated
6	City of Bayswater proposal	103,000	Not stated
24	Town of Mosman Park proposal	59,700	Not stated
4	Town of Cambridge proposal (1)	42,000	$49m
17	Town of Cambridge proposal (2)	56,500	$93m
01/2013	Minister's Proposal – Cities of Perth and Vincent	52,200	$198m
03/2013	Minister's Proposal – City of Bayswater and Town of Bassendean	97,000	$98m
12/2013	Minister's Proposal – Western Suburbs	106,000	Not stated

14. City of Perth proposal 1

The City of Perth proposal would create a larger City of Perth, albeit creating a local government that is smaller than all other relevant proposals. The City of Perth proposal would incorporate part of Vincent, part of Victoria Park (being all of the Burswood Peninsula with the Farmer Freeway and Great Eastern Highway as the boundary), part of Subiaco and Nedlands (including part of the locality of Nedlands and most of the locality of Crawley, including Point Currie (Pelican Point), using Smythe Road, Bruce St, and Princes Road as the boundary). The effect of the boundaries is to incorporate the Queen Elizabeth II Medical Centre, Hollywood Hospital, UWA, Belmont Park Racecourse, Burswood Stadium and Crown Casino into the enlarged City of Perth.

The boundary changes increase the scale of the City of Perth from 8.1km^2 to 24.4 km^2 (18.9 km^2 land area). The proposal states that the intentions of the boundaries is to establish the most appropriate boundary to facilitate longer term precinct planning, development and servicing.

The proposal is based on the following boundaries:

- northern boundary to include part of the City of Vincent by following Bulwer/Summer Streets rather than Vincent/Walcott Streets to address concerns about the dissection of the Beaufort Street shopping precinct, and to recognise it as a more definitive delineation of land-use and demographics;
- eastern boundary to follow Graham Farmer Freeway rather than Victoria Park Drive to recognise the integrated Burswood precinct (including Belmont Racecourse and residential areas) to address the concerns about the dissection of the precinct;
- eastern boundary to follow south-eastern boundary of reserve number 35275 (G.O. Edwards Park) rather than Great Eastern Highway to complete the eastern gateway environs including City of Perth gardens dedicated to its sister city (Kagoshima, Japan);
- western boundary to follow Smythe Road/Bruce Street/Princess Road rather than immediately adjacent to the hospitals and university, to address concerns about dissection of the Hospitals/University precinct, to acknowledge strategic outlook for the precinct as planned by the Government and The University of Western Australia, and to establish an integrated precinct to be significantly affected by the proposed light rail route and terminus; and

- southern and eastern boundary to incorporate Matilda Bay and Pelican Point and to run central to Swan River boundaries consistently from west to east including southern channel adjacent to Heirisson Island.

26. City of Perth proposal 2

The City of Perth submitted a further proposal in April 2014. Similar to the first proposal, it added a significant portion of the remaining part of the City of Subiaco, particularly those areas with a commercial focus 'to complete the western gateway environs' (bounded by Railway, Hensman, Nicholson and Derby Roads). The Council was mindful of the preferences of the State Government when making its original proposal and following changes to the Government's position and the submission of proposals by neighbouring local governments the Council further considered its options. The City of Perth provided a similarly detailed case for change as it provided in relation to its first proposal.

16. City of Vincent proposal

The City of Vincent proposal is for an amalgamation of the Cities of Perth and Vincent, on historical, sense of identity and community of interest grounds. 'A whole merger between Vincent and Perth will build a sustainable, robust city with people, resources, assets, infrastructure, ideas and energy that will enable our state's capital to compete globally.' The City of Vincent proposal is more consistent with the Robson report's preferred option. As the proposal is an amalgamation only, no adjustments to boundaries in the Crawley or Burswood area are proposed, so the UWA anomaly[45] is not addressed. Specifically, the City of Perth would be extended to include the residential areas of North Perth and Mount Hawthorn and mixed use and commercial areas south of Vincent Street. It integrates Northbridge and surrounds (West Perth and Highgate) with the CBD.

22. City of Subiaco proposal

The City of Subiaco proposal is for an amalgamation with the City of Perth together with the addition of small areas of territory from Nedlands, Vincent and Victoria Park. The proposal is essentially the same as the City of Perth proposal 2, but differs in that it proposes to absorb the balance of the City of Subiaco.

(A Subiaco elector's proposal was submitted to the Board, based on the same boundaries as the City of Subiaco proposal, but differing in that it proposed a

[45] The University is split between three local governments; Nedlands, Perth and Subiaco.

boundary change for Perth rather than an amalgamation. This proposal could not be accepted by the Board as it did not meet the elector requirements under Schedule 2.1 clause 2 of the Act.)

6. City of Bayswater proposal

The City of Bayswater proposal is for a boundary change to incorporate the Town of Bassendean, as well as portions of Stirling and Swan and a small portion of Vincent in the Mount Lawley and East Perth localities (the Banks precinct, located north of the Graham Farmer Freeway and bounded by the Swan River, Guildford Road and East Parade; it contains approximately 270 houses and 460 people).

24. Town of Mosman Park proposal

This proposal is largely the amalgamation of five western suburbs councils (Mosman Park, Cottesloe, Peppermint Grove, Claremont, most of Nedlands), but includes boundary changes that would subsume all but the port area of North Fremantle, the lower section of Subiaco (the 'Crawley Corridor') and a small portion of Cambridge. This proposal impacts on the City of Perth as it proposes to include the entire Crawley locality in the new local government.

4. Town of Cambridge proposal 1

This proposal is a boundary amendment to incorporate the localities of Churchlands, Glendalough, Herdsman, Wembley, Wembley Downs, and Woodlands (part) from the City of Stirling. The proposal also includes boundary amendments with the Cities of Nedlands and Subiaco (small portion of Daglish and Jolimont).

17. Town of Cambridge proposal 2

This proposal is a boundary amendment to incorporate the localities of Churchlands, Herdsman, Wembley, Wembley Downs, and Woodlands (part) located in the City of Stirling. The proposal also includes incorporating most of the City of Subiaco (to Aberdare Road) and a boundary amendment with the City of Nedlands to include Mount Claremont.

01/2013 Minister's Proposal

The Minister's proposal is that the boundaries of the City of Perth be adjusted by the inclusion of most of the City of Vincent (with the exception of a small area of East Perth and Mount Lawley, the Banks precinct). The Minister's proposal also sees the City of Perth expanded east to include part of the Burswood Peninsula (including the new stadium and Crown Casino complex though excluding the Belmont Racecourse),

and expanded west to Hampden Road and Broadway to include most of Crawley. The latter expansion means that Kings Park, The University of WA, the QEII Medical Centre and Hollywood Private Hospital would be included within the City of Perth. The boundary changes increase the City of Perth from 8.1 km^2 to 31.2 km^2 (including part of the Swan River).

03/2013 Minister's Proposal

Proposed boundary adjustment to the City of Bayswater to incorporate the Town of Bassendean and parts of Dianella and Inglewood from the City of Stirling, and parts of the City of Swan and City of Vincent (Banks precinct).

12/2013 Minister's Proposal

Proposed amalgamation of the Town of Cambridge, Town of Claremont, Town of Cottesloe, Town of Mosman Park, Shire of Peppermint Grove, City of Nedlands and City of Subiaco and includes a boundary amendment to incorporate into the Town of Cambridge the localities Churchlands, Herdsman, Wembley, Wembley Downs and Woodlands (part) from the City of Stirling.

Common elements and points of difference of the proposals

There is considerable common ground in the proposals, reflecting in part the history of the area and the former history of Perth as a larger local government entity which included what is now the City of Vincent. The Minister's proposal 1/2013 is similar to the Vincent proposal, in that the boundary adjustment is largely a merger of the two local governments, but the Minister's proposal has additional adjustments in the Burswood and Crawley areas that are not as far reaching as the Perth proposal. The Minister's Proposal 1 is also consistent with the City of Bayswater proposal for a small portion of Vincent (the Banks precinct) to be transferred to Bayswater.

Key points of difference among the proposals centre on:

- Whether the enlarged City of Perth should subsume all of the City of Vincent or just part of Vincent
- How much of the Crawley locality should be incorporated into the City of Perth, centred on The University of WA, the QEII Medical Centre and Hollywood Private Hospital.
- Whether any, all or part of Subiaco should be included in the City of Perth.
- Whether the Burswood Peninsula should be included, and if so, the whole peninsula or only part.

Current Situation

Table 11 - Vital statistics for the Cities of Perth, Subiaco and Vincent

Vital statistics	Perth	Vincent	Total Perth &Vincent	Subiaco
Area (land) (sq km)	8.1	11.3	26.5	7.1
Population (2012)	20,285	36,692	76,670	19,693
Average annual growth 2007/2012	7.9%	3.2%	4.7%	8.5%
Population density (per sq.km.)	2,351	3,225	2,790	2,823
Dwellings	10,884	16,598	35,969	8,487
Value of building activity *$m	$533.4m	$35.8m	$1243.1m	$140.5m
Length of sealed roads (km)	95	139	351	117
No. Employees	680	192	1,078	206
Residents per employee	30	191	71	96
Total rate revenue ($)*	$72.4m	$25.2m	$97.6m	$19.9m
Total operating revenue ($)*	$177,032,000	$47,785,000	$267,617,000	$42,800,000
Total operating expenditure ($)*	162,324,182	48,927,550	$253,451,732	$42,200,000
Total rate revenue per capita ($)	3,849	718	1,285	1,037
Total operating revenue per capita ($)	9,296	1,362	3,491	2,230
Total operating expenditure per capita	8,524	1,394	267,617,000	2,198
Average residential rate per assessment 2012/13*	$914	$1,149	No data	$1,281

Source: various, including ABS and information returns to WA Local Government Grants Commission *Based on 2013-14 annual budget

Historical background and local government boundary changes

The original inhabitants of the area were the Noongar Aboriginal people. Perth became a municipality under the *Municipal Institutions Act 1871* in January 1871. The City of Subiaco began as a road district in 1896, becoming the City of Subiaco in 1952. The current City of Perth was formed from a restructure of the City of Perth in 1994 under the *City of Perth Restructuring Act 1993* which saw the formation of three satellite local governments: the Towns of Cambridge, Shepparton (now Victoria Park) and Vincent. Prior to that major change, the City of Perth subsumed the former municipalities of North Perth, Leederville and Victoria Park in 1915 and 1917. The areas for proposed inclusion in the City of Perth are established suburbs with historical connections to Perth. The City of Perth has proposed an enlargement to its boundaries for some time.

Proposals previously considered by the Local Government Advisory Board

The Board has previously received proposals for boundary adjustments affecting Perth, Subiaco and Vincent, including the following:

- Proposal to transfer the locality of Joondanna from the City of Stirling to the Town of Vincent (1997)
- Proposals for amendments to the district boundary of the Town of Vincent (2005-06)
- Proposal to amend the district boundary of the City of Belmont (2007)
- Proposal to realign the boundary between the Cities of Nedlands and Subiaco (2006)
- Proposal to amalgamate Cities of Nedlands and Subiaco (2011)

Only the changes between Perth and Vincent were supported by the Board in 2005-06.

Regional cooperation and resource sharing

The Cities of Perth and Vincent are both members of the Metropolitan Regional Road Group and, together with the City of Subiaco, the Central Technical Sub-Group. Perth, Vincent and Victoria Park are members of the Mindarie and Tamala Park Regional Councils; Subiaco is a member of the Western Metropolitan Regional Council. Combined emergency management arrangements are in place for the City of Perth and the Botanic Gardens and Park Authority (Kings Park). The Cities of Vincent and Subiaco are participants in the Western Central Local Emergency Management Committee and (with Perth) the Northshore Unit of the State Emergency Service. .

Demographic Characteristics

Significant further population growth is expected in the central Perth City area, and to a lesser degree in Vincent and Subiaco, see Table 12.

Table 12 - Local government populations 2006 to 2026

Local Government	Estimated Population	Projected Population*						
	2006	2011	2016	% Growth from 2011	2021	% Growth from 2011	2026	% Growth from 2011
Perth	12,500	21,000	28,200	34.3%	37,600	79.0%	45,900	118.6%
Vincent	29,500	32,400	34,400	6.2%	35,800	10.5%	37,400	15.4%
Subiaco	17,500	19,100	20,400	6.8%	21,500	12.6%	22,600	18.3%
Metro Perth	1,522,500	1,752,500	1,939,500	10.7%	2,105,700	20.2%	2,276,900	29.9%

*Source: Western Australian Planning Commission (2012) WA Tomorrow (Band C projections) http://www.planning.wa.gov.au/dop_pub_pdf/PlanningSummary.pdf

Table 13 - Localities affected by the Perth, Vincent and Subiaco proposals

Locality	Pop. (2011 Census)	Current City of Perth	Current City of Vincent	Current City of Subiaco	City of Perth 1 proposal 14	City of Perth 2 proposal 26	City of Vincent proposal 16	City of Subiaco proposal 22	Minister's Proposal 01/2013
Crawley*	3108	Part	No	Part	Yes	Yes	Part	Yes	Part
East Perth	8185	Part	Part	No	Yes	Yes	Yes	Yes	Part
Highgate	1941	No	Yes	No	No	No	Yes	No	Yes
Leederville	2943	No	Yes	No	Part	Part	Yes	Part	Yes
Mt Hawthorn	7357	No	Yes	No	No	No	Yes	No	Yes
Mt Lawley+	10703	No	Part	No	No	No	Part	No	Part
North Perth	8544	No	Yes	No	No	No	Yes	No	Yes
Northbridge	1005	Yes	No	No	Yes	Yes	Yes	Yes	Yes
Perth	4147	Part	Part	No	Yes	Yes	Yes	Yes	Yes
West Perth	5168	Part	Part	No	Yes	Yes	Yes	Yes	Yes
Daglish	2124	No	No	Yes	No	No	No	Yes	No
Jolimont*	Inc. in Jolimont	No	No	Yes	No	Part	No	Part	No
Nedlands#	Inc. in Crawley	No	No	Part	No	Part	No	Part	No
Shenton Park	4215	No	No	Yes	No	Part	No	Yes	No

Locality	Pop. (2011 Census)	Current City of Perth	Current City of Vincent	Current City of Subiaco	City of Perth 1 proposal 14	City of Perth 2 proposal 26	City of Vincent proposal 16	City of Subiaco proposal 22	Minister's Proposal 01/2013
Subiaco	8445	No	No	Yes	No	Part	No	Yes	No
West Leederville*	3806	No	No	No	No	Part	No	No	No

* Part in the current Town of Cambridge. # Part in the current City of Nedlands. + Part in the current Cities of Bayswater and Stirling.

During the course of its Inquiries the Board considered detailed demographic information, drawing on the analysis it commissioned by Geografia.[46] Data from the 2011 Census suggests that there are some similarities between the demographics of these adjoining local governments, but the City of Perth has a markedly different age profile. The City of Perth has fewer children and seniors, reflecting its inner city / CBD location where many city workers choose to live. Households tend to be smaller than the metropolitan average, reflecting the higher percentage living in higher density forms of housing (flats and apartments). Subiaco has a high proportion of youth, reflecting its proximity to the University. Subiaco is also different to Perth and Vincent in that it has a higher proportion of people in the older age groups (60+ years). Housing is predominantly high density in Perth, whereas Vincent is predominantly separate houses, although it has much more medium and high density housing than the metropolitan area generally. Subiaco also has relatively more medium and high density housing.[47]

Services, including Professional, Scientific and Technical Services, Accommodation and Food Services, Health Care and Social Assistance are the major areas of employment for people who live in the City of Perth, accounting for 37% of employment. Health Care and Social Assistance and education and training were the largest sectors of employment for Subiaco residents. The worker profiles of Perth, Vincent and Subiaco are very similar, sharing an overrepresentation of managers and professionals and underrepresentation of trade workers and labourers relative to the metropolitan area. To a large degree, this probably mirrors the nature of jobs available in the area. These differences also flow on to higher incomes for Perth, Vincent and Subiaco residents. Consequently the Perth, Vincent and Subiaco local government areas are some of the least disadvantaged in the State according to ABS' Index of Relative Socio-Economic Disadvantage.[48] Demographic factors are not considered a major factor in assessing these proposals.

Service Population

There is some benefit in considering service population in addition to resident population. The Perth CBD is the single largest worker destination in the metropolitan

[46] Metropolitan Local Government Reform Demographic Analysis, Geografia 2014
[47] Metropolitan Local government Reform Demographic Analysis, Geografia 2014
[48] Index of Relative Socio-Economic Disadvantage, Australian Bureau of Statistics 2011 Census

area, ensuring that the service population of the City on any working day is well in excess of 125,000. This factor alone accounts for the disproportionate number of employees of the City of Perth, and is also a major factor accounting for the size of the City's retail and service sector. Like Perth, Subiaco has more workers working in the area than residents. In addition to the daily workforce, there are the additional visitors to the city in the form of day-trippers from the suburbs and tourists, reflected in the visitor numbers for specific attractions. Like Perth, Subiaco also has a significant service population which is affected by the presence of health, education and sporting infrastructure. For example, the number of visitors to the area on AFL game days at Patterson's Stadium is significant. In addition, the Burswood Resort Casino attracts 'millions of visitors a year'.[49] With the proposal to incorporate the Queen Elizabeth II Medical Centre (approximately 5,000 staff on site at peak times), Hollywood Hospital, UWA (25,000 students and 3,700 staff), and Crown Casino (reportedly 6,100 employees) into the City of Perth, the service population of the City will be significantly increased.

Community of Interest

The Board has previously expressed the view that the external boundaries of a local government should reflect distinct communities of interest wherever possible. The following observations about communities of interest in the local government areas of Perth, Vincent and Subiaco were noted by the Board.

Journey to work: The central business district, the University of WA and a number of major hospitals are major employers in inner Perth, together with retail, business and other services. As noted elsewhere, there are many more people coming into the area to work than live in the area. Perth CBD is also the most significant work destination for both Subiaco (28.8%) and Vincent (31%) residents.

Educational Facilities: High school students must leave the municipal districts of Perth and Vincent to attend a government school. Most of the Perth and Vincent area falls in the local intake area of the Mount Lawley Senior High School. High school students in West Perth are most likely to attend Perth Modern School. Most of the City of Subiaco is part of the catchment area of Shenton College, although students may also attend Perth Modern School. Private colleges tend to draw the majority of students from across the wider metropolitan area. The Central Institute of Technology (formerly Central TAFE) operates from a number of campuses all of which could potentially be within the proposed entity (e.g. under the City of Vincent proposal). The Minister's and

[49] http://www.crownresorts.com.au/investors-media/annual-reports 2013

Perth proposals seek a boundary extension in Crawley so that The University of Western Australia is wholly within the City of Perth and not split between three local governments as is the present state.

Newspaper circulation: Most of the population of the area affected by the proposal receive the same local community paper, the Guardian Express, but this edition does not circulate in the Subiaco, Crawley and Burswood areas. The Post newspaper circulates in the western suburbs including the Cities of Subiaco and Nedlands.

State Electoral Districts: It is noted that the boundaries of the State Legislative Assembly seat of Perth closely corresponds to the Vincent proposal, with exceptions in the proposed boundary adjustment areas of Crawley (seat of Nedlands) and Burswood (Victoria Park). All of the City of Subiaco, as well as part of Nedlands and Cambridge, and the Crawley area of Perth, are located in the State Legislative Assembly district of Nedlands, which is one indicator of a community of interest link between Subiaco and the western suburbs. The Perth and Nedlands electorates are part of the North Metropolitan Region for Legislative Council elections.

Commonwealth Electoral Divisions: Most of the area affected by the proposal for Perth and Vincent are located within the Federal division of Perth. This electorate also includes suburbs to the north which are part of the current local governments of Stirling, Bayswater, Bassendean and Swan. The parts of Crawley and West Perth that are within the current City of Perth are located in the Federal division of Curtin. All of the City of Subiaco is located within the Federal division of Curtin which spans the greater western suburbs area. The Burswood Peninsula is located in the Federal division of Swan, with the Swan River forming the boundary between that division and the Federal division of Perth.

Public transport: The Perth central area is very much the focus of all public transport in the Perth metropolitan area. It is served by bus, rail and ferry services extending out towards the northern, eastern, southern and western suburbs of the metropolitan area, so planning for the integration of transport is a key consideration. Bus services provide the most critical service for the inner suburbs such as those in the City of Vincent. The Free Transit Zone and the CAT (Central Area Transit) buses are limited to the City of Perth municipal area at present. Eight buses serve the University Precinct, six buses serve the QE11 precinct. Most of these buses also provide a link for Subiaco residents to the western suburbs and to the CBD, in addition to the Fremantle Railway which has stops at Subiaco, Daglish and Shenton Park. Metropolitan attractors, such as the casino, the University of WA, and the QEII Medical Centre, have a major impact on traffic. An example of the need for better traffic

planning is William St, which is two way for most of its length (including the CBD section which was formerly one-way), but for a section in Northbridge (in the City of Vincent) where it is one way.

Community of interest: Summary and Comment

There are strong community of interest links within the inner Perth area. There are a number of similarities between Perth and Vincent in particular:

- Demographic characteristics are relatively similar
- Industry of employment and journey to work patterns are relatively similar
- The combined local intake area of the government high school (Mount Lawley) closely corresponds to the proposed amalgamation of Perth and Vincent
- Most of the Perth and Vincent area receive the same local community newspaper
- The Perth and Vincent areas are in the same Legislative Council electoral region and Legislative Assembly seats
- Perth and Vincent are both located within the Federal electorate of Perth.

While of themselves these observations do not provide a compelling argument for the amalgamation of Perth and Vincent, they indicate to the Board that there are no compelling points of difference between the various localities affected by the proposed change to suggest that an amalgamation should not happen.

On the other hand, Subiaco has many communities of interest linkages to the western suburbs:

- It receives the same local community newspaper as the other western suburbs
- The area is in the same Legislative Council electoral region and Legislative Assembly seats as the other western suburbs
- It is located within the Federal electorate of Curtin which spans across the greater western suburbs area.
- It is largely within the local intake area of Shenton College which serves the western suburbs.
- Strong transport and public transport links Subiaco with the western suburbs.

In addition, Subiaco has a long history of collaborating with other western suburbs councils through the Western Metropolitan Regional Council and the Western Suburbs Regional Organisation of Councils (WESROC). There are some community of interest

linkages between Subiaco and the Perth CBD, including the linkages between the commercial sectors, particularly those in the northern Subiaco area adjacent to Hay Street. This was reflected in the unsuccessful proposal from Subiaco electors submitted in March 2014, led by the Subiaco Business Association.

Under the proposals, a number of inner city localities would be integrated with the City of Perth. While it is considered that these localities would have some community of interest in common with the City of Perth, in terms of demographic, economic and transport considerations, this will be a matter of degree which will vary from locality to locality.

Many residents in the affected area value the advantages of living in the inner city. Even without adjusting the boundaries, the number of City of Perth residents is increasing rapidly as the number of city apartments increases and people seek the benefits of inner city living. At present, the localities of East Perth, West Perth and even Perth itself are split across local government boundaries. The modified City of Perth under all these proposals would largely eliminate this.

In addition to its resident population, the current City of Perth would have a large service population, as it is a significant destination for workers. The CBD is also a major focus for retail activity, although everyday retail needs of residents tend to be met by secondary, district and neighbourhood centres such as Subiaco, Mt Hawthorn and North Perth.

Previous inquiries undertaken by the Board have showed mixed support for change in this area. For example, a proposal to transfer largely residential portions of Northbridge from Vincent to the City of Perth in 2006 was largely opposed by local residents. The piecemeal change of previous proposals is quite different to the scale of the currently proposed changes, which are said to have widespread support from the community of the City of Vincent, reflecting a strong community campaign in 2013 for the complete merger of the City of Vincent and the City of Perth.

The ‘vision’ and strategic plans of the councils can be pointers to common interests. The Board notes that common values can give rise to community of interest. From a review of the council’s vision statements diversity and vibrancy are noted as being in common. There is nothing in the vision statements to suggest the communities would not be able to coexist. It is entirely possible that the community vision for Subiaco or Vincent could be accommodated within a larger local government area.

Economic Considerations

Any of the districts proposed for this area will be the centre of economic power in the State, and the political and financial capital. The area is a major location for businesses (9000 commercial rate assessments) and a major destination for commuters from the entire Perth region. The area also includes the Burswood casino complex, another major economic generator and employer (the largest single site employer in Perth). Major projects in Perth include Elizabeth Quay, Riverside (eastern gateway) and Perth City Link. Perth, Subiaco and Vincent each have economic development as a key focus, each with an economic development strategy and other facilities and resources dedicated to this aim. This may present a challenge for local government reform, given some potential for competition between the Subiaco and Leederville activity centres and a council's ability to prioritise between the two.

Public Infrastructure

Significant public and private infrastructure is already present in inner Perth such that the area is extremely well served. This includes the roads and rail network, health and education establishments, and recreation facilities. With the exception of some of the major roads, and some of the recreation facilities, most of the major infrastructure assets are not in local government control.

Local government and community infrastructure in the region includes three local government offices, three local government libraries, the Beatty Park Aquatic Centre, Patersons Stadium, Medibank Stadium, many parks, gardens and playgrounds and foreshore reserves. Any change in local government arrangements in the region is unlikely to negatively affect this infrastructure, and the amenity enjoyed by residents of this area is unlikely to be lessened.

Burswood

The disposition of Burswood is critical to consideration of these proposals. Currently in the Town of Victoria Park, under the Minister's proposals 1/2013 and 6/2013 it is proposed to be split between the City of Perth and the new South Perth / Victoria Park entity. Under the City of Perth proposals, Burswood Peninsula would be wholly within the City of Perth. Under the South Perth / Victoria Park proposal, the Peninsula would be wholly within the proposed South Perth / Victoria Park entity.

The Burswood Entertainment Complex includes a 24-hour casino, seven restaurants, eight bars, a nightclub, two international hotels, a Convention Centre, and the 2,300-seat theatre. Crown Perth is undergoing a $750 million expansion program, including a new six star hotel. Current rates are approximately $2.75 million per annum. The

Burswood Park Board is responsible for the control and management of Burswood Park, which is maintained by the Board from revenue received from Casino and golf course operations.[50] The Board's environmental expenditures ($3 million in 2011/2012) included river protection projects for the Swan River system.

In December 2011 the State Government announced the development of the new major stadium on the northern portion of the Burswood Park Golf Course, and in August 2012 the Government announced the sale of 5.8 hectares of land on the southern portion of the golf course to Burswood Entertainment Complex to build a new 500 room hotel; these decisions have a significant impact on the future of the Burswood Park reserve. Construction on the 60,000-seat, multi-purpose stadium and sports precinct is expected to start by the end of 2014 and be completed in time for the start of the 2018 AFL season.

Transport planning is a key consideration, and the development of a multi-modal transport strategy is progressing. The strategy is focused on public bus and rail transport, with limited on-site parking but access to extensive parking facilities in East Perth and the Perth CBD, facilitated by a shuttle bus service.

The undeveloped land around Belmont Park Racecourse is to become a high-density, mixed-use transit oriented development to be known as Burswood Point. The proposed development incorporates up to 4,500 dwellings, 31,000sqm of retail floor space and 60,000sqm of office floor space, and a hotel in mixed use buildings up to 46 levels.[51]

The Minister's proposal to include parts of the Burswood Peninsula containing the Crown Casino and the new football stadium in the modified City of Perth is 'due to their strategic importance to the metropolitan area.' The City of Perth proposal varies from the Minister's proposal in that the entire Burswood Peninsula, including the peninsula residential area, the Belmont Racecourse and the south side of Great Eastern Highway west of the railway overpass will be in the City of Perth. With the intensive development expected on the peninsula in future years, it 'must be developed in a coordinated and holistic manner and the effective coordination of infrastructure planning and development, particularly transport, will be pivotal'[52]. Fragmented precinct planning and administration of the Burswood Peninsula should be avoided.

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[50] http://burswoodpark.wa.gov.au/web/Annual+Report

[51] http://www.victoriapark.wa.gov.au/sites/default/files/Asset%20Management%20Plan%20(Buildings%20and%20Land).pdf p44.

[52] City of Perth submission, March 2014, pg 159

In the South Perth and Victoria Park proposal the area would be retained by the proposed new local government on community of interest grounds. To split the area would create development, transport and infrastructure management issues that are unnecessarily complicated. Further, there would be a negative impact on financial viability resulting in increased costs to ratepayers. Issues associated with key infrastructure on the Peninsula (such as traffic, parking, noise control, anti-social behaviour and event management) will need to be managed in a more integrated manner to control impacts on residents.

The University of Western Australia

The disposition of the University of Western Australia / QEII Medical Centre Activity Centre is also critical to consideration of these proposals. The University's Crawley Campus is currently split between three local governments (Perth, Subiaco, and Nedlands). The University prepares a Campus Development Plan every ten years and each of the local governments has an influence on the University's planning. Under the Minister's proposal 1/2013, the activity centre is proposed to be wholly located within the City of Perth. Depending on the size of the area, the number of residents affected is likely to be about 2,500. The University supports the City of Perth boundary proposal.

QEII Medical Centre (QEIIMC)

QEIIMC, the largest medical centre in the southern hemisphere, is currently split between two local governments (Subiaco, Nedlands). The Queen Elizabeth II Medical Centre Trust is a statutory authority responsible for the development, control and management of 28.4 hectares of land which is an A class reserve for the designated purpose of a medical centre. The Centre includes Sir Charles Gairdner Hospital, a teaching hospital with 600 beds which handles over 76,000 admissions annually and treats approximately 420,000 patients each year. As of 2012 some 5,500 staff are employed.[53] The site is currently undergoing significant redevelopment. The first stage of the site redevelopment includes the construction of a new multi-deck car park, Comprehensive Cancer Centre, Western Australian Institute of Medical Research, PathWest, new Children's Hospital, adult Mental Health Unit and a new central energy plant. It is noted that the QEIIMC reserve is currently split between two local governments, with the current boundary between the City of Nedlands and the City of Subiaco running down the west side of Hospital Avenue. The greater portion of the

[53] http://en.wikipedia.org/wiki/Sir_Charles_Gairdner_Hospital

site is in the City of Nedlands, while the new multi deck car park and New Children's Hospital are located in the City of Subiaco portion.

Environmental Context

The environmental context of this area can be summarised as being part of the Swan coastal plain, with many modified remnant wetlands (e.g. Hyde Park Lakes). The area is bordered on the south and east by the Swan River; Claisebrook runs into the river at East Perth. Kings Park is a major bushland area, managed separately by the Botanic Gardens and Parks Authority. The City of Perth already has about 5 kilometres of river foreshore, and this potentially would be extended.

Perth, Subiaco and Vincent each have strategies and programs dedicated to maintaining and improving the natural environment. This includes recognition within the strategic community plans, and waste management, climate change and waterwise components. Consolidation of local government provides the potential to address natural resource management issues. For example, there are currently 21 local governments covered by the Swan River Trust management area and the potential reduction of metropolitan local governments would enhance foreshore and river management in the region. Heritage is also a significant consideration.

Local Government

Perth, Subiaco and Vincent have largely completed the statutory requirements under the integrated planning framework[54]. Excerpts from the respective strategic community plans show a common desire for a sustainable and accessible city with vibrancy and diversity.

The three local governments have more than 1000 employees in total, with duplication in many roles including Chief Executive Officers and other senior directors.

Notable facilities in the City of Perth include the Perth Concert Hall, Northbridge Piazza, Citiplace Community Centre and multiple public car parks. A new state-of-the-art public library is being constructed next to the Perth Town Hall. Notable facilities in the City of Vincent include the Leederville Gardens Retirement Village, with sixty-six (66) units available for lease to retirees over 55 years of age who live independently. In the City of Subiaco the Lords Recreation Centre combines indoor community sport, health and fitness facilities and classes.

[54] For Integrated Planning and Reporting requirements see section 5.56 (1) and (2) of the Act.

There is likely to be some scope for rationalisation of infrastructure and equipment while at the same time maintaining effective and efficient delivery of services. At present the affected areas includes three council offices / civic centres and three depots. Libraries are currently operated at Perth, Subiaco and Leederville. It is envisaged that the operation of the libraries and other major facilities, such as the nib Stadium and Beatty Park Aquatic Centre, would remain as local government assets and not be affected by the proposed boundary changes. It is likely that some services are being provided in some parts of the proposed area and not others, so this would be a matter for the new entity to resolve.

Each local government has the required local planning strategies and town planning schemes to guide and control development in their respective areas. Directions 2031 target is 20,600 new dwellings across the three local government areas by 2031. The City of Perth has its own Development Assessment Panel to deal with applications with an estimated cost of equal to or more than $15 million. The Metropolitan West Joint Development Assessment Panel (JDAP) dealing with applications with an estimated cost of equal to or more than $7 million covers Subiaco and Vincent and six other local government areas.

Local Government Finance

With a rate base that includes the highly valued office, commercial, retail and residential properties of the CBD, the proposed local government entity will be a financially strong local government. GRV rates (cent in the dollar) are currently lowest in Perth and highest in Vincent. This difference is also reflected in the lower average residential rates in Perth. Following an amalgamation or boundary change, the rates (or at least the rate in the $ applied to the valuation) might be expected to reduce in Vincent and perhaps Subiaco as well.

Asset management implications have been examined in detail as part of the Board's Inquiries. There would be no effect on the total financial assistance grant entitlements, with the new entity receiving the total of the current entitlements of the constituent local governments. Collectively these grants account for only 0.85% of the local government's current revenue. With the assistance of the affected local governments information has been compiled for the Board in respect of the areas affected by these proposals (Table 14-20).

Table 14 - Local government financial data for the Cities of Perth, Subiaco and Vincent

Financial data	Perth	Vincent	Subiaco	Total
Total rate revenue ($)*	$72,452,120	$25,222,320	$19,900,000	$117,574,440
Total operating revenue ($)*	$177,032,117	$46,914,105	$42,800,000	$266,746,222
Total operating expenditure ($)*	$162,324,182	$48,927,550	$42,200,000	$253,451,732
Total rate revenue per capita ($)	$3,805	$719	$1,037	$1,785
Total operating revenue per capita ($)	$9,296	$1,337	$2,230	$4,051
Total operating expenditure per capita	$8,524	$1,394	$2,198	$3,849
Average residential rate per assessment 2012/13* ($)	$902	$1,157	$1,281	N/A
Rates as % of operating revenue	40.93%	53.76%	46.5%	44.1%
Residential rates as % of rates	14.77%	N/A	54.3%	N/A
Commercial rates as % of rates	82.57%	N/A	39.1%	N/A
Employee Costs	$54,865,237	$17,894,480	$20,018,663	$92,778,380

*Based on 2013-14 annual budget

Table 15 – Rate in the dollar GRV (2013/14 budget)

Council	Minimum Rate (2013/14)	Residential GRV Rate/$	Commercial GRV Rate/$	Office GRV Rate/$	Vacant Land GRV Rate/$	Total rate income 2013/14
Perth	$624	0.04131	0.05065	0.02696	0.05392	$73.3m
Vincent	$791	0.06995	0.06995	0.06995	0.06995	$25.2m
Subiaco	$707	0.0584	0.0584	0.0584	0.0584	$19.9m

Table 16 -Key financial information for the Minister's Proposal 01/2013

Minister Proposal 01/2013 - Perth	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Perth	$169,238,623	$141,166,597	$67,226,365	$90,531,579	$1,121,775
add: Vincent	$46,735,933	$48,117,266	$23,825,952	$15,304,231	$4,794,925
add: Subiaco - Crawley	$3,253,225	$4,964,422	$178,785	$1,560,246	$89,611
add: Nedlands - UWA/QEII	$779,588	$883,913	$665,532	$79,401	$0
add: Victoria Park - Burswood Peninsula (not including MIRVAC)	$3,036,737	$422,499	$2,940,610	$96,128	$0
less Vincent - East Perth/Mount Lawley	$934,719	$962,345	$476,519	$306,085	$671,290
Total	$222,109,387	$194,592,352	$94,360,725	$107,265,500	$5,335,021

Table 17 - Key financial information for the City of Subiaco's Proposal 22

Proposal 22 - City of Subiaco	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Subiaco	$41,898,721	$38,662,107	$18,641,575	$17,571,341	$697,873
add: Perth	$169,238,623	$141,166,597	$67,226,365	$90,531,579	$1,121,775
add: Vincent - Perth, East Perth, Highgate, West Perth & Leederville	$6,543,031	$6,736,417	$3,335,633	$2,142,592	$671,290
add: Nedlands - Crawley	$4,722,307	$4,686,374	$3,663,828	$822,030	$0
add: Victoria Park - Burswood Peninsula (including MIRVAC)	$4,377,339	$1,056,246	$4,325,266	$51,921	$0
add: Cambridge - Jolimont	$274,372	$13,751	$277,140	$0	$0
Total	$227,054,393	$192,321,492	$97,469,807	$111,119,463	$2,490,938

Table 18 – Key financial information for the City of Vincent's Proposal 16

Proposal 16 - City of Vincent	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Vincent	$46,735,933	$48,117,266	$23,825,952	$15,304,231	$4,794,925
add: Perth	$169,238,623	$141,166,597	$67,226,365	$90,531,579	$1,121,775
Total	$215,974,556	$189,283,863	$91,052,317	$105,835,810	$5,916,700

Table 19 - Key financial information for the City of Perth's Proposal 26

Proposal 26 - City of Perth (2)	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Perth	$169,238,623	$141,166,597	$67,226,365	$90,531,579	$1,121,775
add: Subiaco	$21,787,335	$32,487,769	$13,533,597	$3,891,695	$0
add: Vincent - Perth, East Perth, Highgate, West Perth & Leederville	$6,543,031	$6,736,417	$3,335,633	$2,142,592	$671,290
add: Nedlands - Crawley	$4,722,307	$4,686,374	$3,663,828	$822,030	$0
add: Victoria Park - Burswood Peninsula (including MIRVAC)	$4,377,339	$1,056,246	$4,325,266	$51,921	$0
add: Cambridge - West Leederville	$5,839,408	$1,172,617	$2,746,456	$2,506,488	$0
Total	$212,508,043	$187,306,019	$94,831,145	$99,946,305	$1,793,065

All 2012-2013 data

Table 20 - Comparative summary for Perth, Subiaco and Vincent proposals

City of Perth under	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Minister proposal 1/2013	$222,109,387	$194,592,352	$94,360,725	$107,265,500	$5,335,021
Perth proposal (1) 14	$188,134,525	$158,610,056	$78,729,877	$95,108,368	$1,793,065
Perth proposal (2) 26	$212,508,043	$187,306,019	$94,831,145	$99,946,305	$1,793,065
Vincent proposal 16	$215,974,556	$189,283,863	$91,052,317	$105,835,810	$5,916,700
Subiaco proposal 22	$227,054,393	$192,321,492	$97,469,807	$111,119,463	$2,490,938

Based on this information, the proposed City of Perth will have the largest revenue under the Subiaco proposal; and least under the first Perth proposal 14. There is a significant surplus of operating revenue over expenditure under each proposal.

Financial health checks

The Department of Local Government's 2009 Local Government Reform Steering Committee report rated Perth, Subiaco and Vincent as Category 1[55]. The independent expert analysis of the financial position of the local governments conducted for the Metropolitan Local Government Review Panel included a five-year analysis of sustainability measures. Perth and Subiaco were both rated as sustainable; Vincent was rated as vulnerable. A financial health check (based on the 2012-13 annual financial statements) undertaken by the Department of Local Government and Communities has rated the assessed position of Perth and Subiaco as strong, and Vincent as poor[56].

Financial Sustainability Analysis

The Western Australian Treasury Corporation (WATC) was commissioned to undertake a comparative analysis of the financial sustainability of existing and proposed metropolitan local governments. The financial analysis by WATC was based on the seven (7) financial ratios on which local governments are required to report, considering the past four financial years using the annual financial statements, and the forward looking next four years based on the financial plans, with seven years of data (2010-2017) to derive a Financial Sustainability Score (FSS) as follows:

Table 21 - Financial Sustainability Scores (FSS)

FSS for current and proposed authorities	2010-2013	2010-2017
Existing City of Perth	86	88
Existing City of Vincent	47	63
Existing City of Subiaco	83	72
Minister Proposal 01/2013	83	88
Perth Proposal 14	87	91
Perth Proposal 26	88	87

[55] The Steering Committee developed a methodology to assess organisational capacity and level of reform required: category one – demonstrative capacity to meet current and future community needs; category two – requiring structural reform including amalgamation/boundary adjustment and category three significant structural reform including amalgamation required.

[56] This involved assessing local government's financial capacity against the financial ratio benchmarks prescribed under the *Local Government Act* 1995. The financial ratios include *current ratio, debt service ratio, own source revenue coverage, operating surplus, asset sustainability, asset consumption and asset renewal.*

FSS for current and proposed authorities	2010-2013	2010-2017
Vincent Proposal 16	80	85
Subiaco Proposal 22	87	89

Source: WA Treasury Corporation. The FSS for all current metropolitan local governments and the proposed restructured local governments are included in Section 4 of the Appendices.

The existing City of Perth is already very strong and sustainable, and all the proposals have only a marginal effect on the FSS for Perth. The Vincent proposal would have a positive impact on the Vincent area, eliminating the significant existing differential between the Cities of Perth and Vincent. Subiaco's FSS, while relatively high, also benefits under its proposal. While the Perth proposals do not substantially change the Perth FSS, it also does not eliminate the significant differential in FSS with what would be left of Vincent (FSS 47 / 63) and South Perth-Victoria Park (FSS 64 / 69). The large disparity between neighbouring local governments on the north and south is maintained under the Perth proposals.

Table 22 - 2012/2013 Financial Ratios

Local Government	Current Ratio	Debt Service Coverage	Own Source Revenue	Operating Surplus	Asset Consumption	Asset Sustainability	Asset Renewal
Perth	0.956	7.531	1.186	0.158	0.676	3.040	0.989
Subiaco	1.330	9.222	1.037	0.078	0.580	1.435	1.024
Vincent	0.461	4.106	0.942	-0.016	0.594	2.038	0.968

Submissions to the Local Government Advisory Board

Submissions were provided to the Board during the advertised public submission periods by local governments, industry groups, local businesses and affected ratepayers. A summary of these submissions is detailed below. Note the following summaries are the position put forward by those making the submission.

The City of Subiaco's proposal (22) and the City of Perth's second proposal (26) are two of four later proposals which prompted the additional public submission period concluding on 26 June 2014.

Local government submissions:

City of Perth

The City of Perth submission emphasises the need for boundaries that accommodate future needs of a growing capital city based on strategic direction rather than parochial and emotive issues. The northern part of Vincent proposed to be included within the City of Perth is more suburban with lower density housing, and are separate to the areas that characterise the City of Perth in terms of employment density and commercial development. The primary issues in these areas are very different and the inclusion of all of Vincent would change the fundamental focus and character of the Capital City Council. If the City is to perform its role in developing the central city, its boundaries must be drawn to support its purpose and should not result in the Council being distracted by issues not core to its function. The Burswood Peninsula's current and emerging economic potential is an important contributor for Perth. The inclusion of UWA and the QEII Medical Centre (and surrounding precinct) is essential to maximise Perth's economic potential. The City's proposal is financially sound and will allow it to continue developing the city through the provision of infrastructure, services and support to city activities. The City of Perth also advocates for new Capital City legislation to differentiate the Capital City from other local governments.

City of Vincent

The City of Vincent supports a full amalgamation with the City of Perth. The Government's [original] proposal to split the City of Vincent between the City of Perth and City of Stirling is considered both unreasoned and illogical. The amalgamated local government will combine two local governments who have demonstrated best practice community engagement, high quality place management and who have strongly invested in their community development, which is reflective of their strong, active and dynamic local communities who are active in arts, festivals, community and

cultural activities. Like the City of Vincent, the City of Perth promotes vibrant inner-city living and diversity. Vincent residents identify as inner city residents and share demographic synergies and a sense of urban identity and lifestyle with Perth residents. The amalgamation process would be more cost efficient and much easier to implement by two local governments, rather than splitting the City of Vincent. The amalgamation of the City of Vincent and City of Perth will assist in streamlining decision making for transport and bike infrastructure by bringing this policy area under one authority. It will also ensure only one authority is driving the implementation plan for these transport decisions.

The City of Vincent also lodged a submission during the second consultation period, in opposition to the expanded Perth districts in Proposals 22 and 26, on the basis of its preference for the 'Perth-Vincent' district in its own Proposal 16.

City of Subiaco

The City's amalgamation proposal is 'consistent with the state-government's focus on an expanded capital city whereby the new local government can bring together capital city infrastructure and inner city precincts to form a stronger and more capable capital city.' Subiaco reaffirms its preference for the city 'to remain an independent council in its own right with no amalgamation', as being in the best interests of the residents of Subiaco. The council is concerned that forced amalgamation could result in rate increases and the possible dilution of representation in Subiaco.

City of South Perth and Town of Victoria Park

The City of South Perth and Town of Victoria Park lodged a submission during the second consultation period against Proposal 26 from the City of Perth, to the extent that it contradicts their own Proposal 13 (as detailed in section 7.6). The City and Town believe that retention of the Burswood Peninsula is vital to the future viability of a combined 'South Perth-Victoria Park' district.

City of Bayswater

The City of Bayswater supports either Proposal 01/2013 or Proposal 14 in preference to Proposal 16 on the basis that neither impacts on its own Proposal 6 for a 'Bayswater-Bassendean' district which includes a small area of the current Vincent district.

City of Nedlands

The City of Nedlands opposes Proposal 01/2013 and Perth Proposal 14, refuting any argument that major metropolitan infrastructure must be within the City of Perth to

ensure a ‘single local government focus’. It argues that there is no demonstrated community of interest between the hospital and university precincts and the rest of any proposed ‘Perth-Vincent’ district. The City also lodged a submission in the second consultation period against proposals 22 and 26. The City asserts that the true community of interest for these precincts is with the western suburbs. The City notes that the hospital and university precincts create a ripple effect on adjacent areas, from negative effects such as traffic congestion to positive effects such as retail patronage. It contends that the current situation, in which jurisdiction over these areas is divided between three local governments, is untenable. The City of Nedlands argues that its links to the western suburbs make it more appropriate to the continued control and management of the precincts than the City of Perth. The City notes that Hollywood Private Hospital is currently its largest ratepayer, and it would lose just under $4 million, a considerable proportion of its current total rates revenue of just under $20 million. There would also be a potential loss of assets, including the City’s current administration centre, if Perth’s district is extended to Smyth Road.

The City is also concerned that any extension of boundaries to the mid-point of the Swan River would eventually be used to transfer State Government responsibilities for river management to local authorities.

Town of Cambridge

The Town of Cambridge rejects Proposals 01/2013 and 14 on the basis of its opposition to an extended Perth district including the hospital and university precincts to the west of Kings Park. Cambridge argues that these precincts have no physical connection to the City of Perth in the east, and give rise to substantial traffic, parking and infrastructure issues that would have to be managed by any local government immediately to the west. The Town of Cambridge also lodged a submission during the second consultation period in opposition to the expanded Perth districts in Proposals 22 and 26, on the basis of its preference for the ‘Cambridge-Subiaco’ in its own Proposal 17 (see section 7.10).

Town of Mosman Park

The Town of Mosman Park lodged a submission against Proposals 22 and 26 during the second consultation period, arguing that the current City of Perth shares a logical community of interest with the district of Vincent, rather than the Burswood Peninsula or areas west of Kings Park.

Community organisations, government agencies and institutions

City Vision, an advocacy organisation promoting the development of Perth as a 'capital city', supports Perth Proposal 14 and opposes both Proposal 01/2013 and Vincent Proposal 16. It argues that the northern area of the current City of Vincent has a minimal community of interest with the City of Perth, and that Perth's district should maintain a commercial and inner city residential focus, undiluted by suburban localities. City Vision advocates Vincent Street as the northern boundary for Perth, though it recognises that the City of Perth's proposal recommends Bulwer Street. It also argues that the entire Burswood Peninsula should be in one planning jurisdiction, including Belmont Park Race Course and the high density residential precinct, as all developments on the Peninsula impact on one another. City Vision contends that the hospital and university precincts should not be included in Perth, citing a requirement for the institutions in these precincts to relate to the surrounding localities, and questioning the need for them to come under 'capital city' jurisdiction.

The Western Australian Turf Club (operating as Perth Racing) supports Perth Proposal 14 in preference to Proposal 01/2013 (though it would also be supportive of Proposal 13 from the City of South Perth and Town of Victoria Park) on the basis of its position that all entertainment and sporting venues on the Burswood Peninsula should be governed by the same local authority. It argues that this not only ensures consistency in planning, but is crucial to the successful branding of the Peninsula as a sporting and entertainment precinct of State significance. It also argues that these venues, and ongoing residential developments, will increasingly have an impact on each other in terms of parking and traffic management that will benefit from consistent management of all of them. As such, the Club contends that consistent planning and regulation across the entire Peninsula should be the pivotal consideration, rather than which local government gains or loses rates revenue. Perth Racing also lodged a further submission in support of the City of Perth's second proposal (26). Golden River Developments (owners of the Belmont Park Redevelopment Site) also support Perth Proposal 14 and oppose Proposal 01/2013 based on similar arguments.

The East Perth Football Club has lodged a submission in support of Proposal 26 on the basis that it consolidates major sporting infrastructure within one local government district, while the Subiaco Business Association also supports Proposal 26 (and the transfer of Subiaco's commercial precincts to Perth), though its first preference is for the full incorporation of Subiaco into Perth.

The Botanic Gardens and Parks Authority (BGPA), responsible for the management of Kings Park, opposes both Proposals 01/2013 and Perth 14 on the basis that it

recognises no need for Kings Park to be located within a local government district. It contends that there are no demonstrated benefits from any proposal to incorporate the Park, governed by its own legislation, into the City of Perth.

Tourism Western Australia supports Perth Proposal 14 over Proposal 01/2013 as it brings the entire Burswood Peninsula into the City of Perth. The agency notes that this will enable significant tourism infrastructure, including the majority of Perth's tourist accommodation in addition to Elizabeth Quay, the future Perth Stadium and the Northbridge Entertainment Precinct, to be developed under one local authority. Tourism WA endorses the City of Perth as the most appropriate local government to promote tourism. The Perth Convention Bureau also supported Proposal 14 in preference to Proposal 01/2013, based on similar arguments.

Hollywood Private Hospital (HPH) expresses strong support for Proposal 01/2013 (though it also has no objections to Perth Proposal 14). It argues that the major medical infrastructure and assets associated with the Queen Elizabeth II Medical Centre and the precinct in general would enhance the City of Perth's status as a capital city government and provide for the coordinated development of quality health care services. The Hospital does, however, argue that the Perth Parking Management Area should not be made contiguous with the new local government boundary as this would impact unfairly on parking facilities in the hospital precinct.

UWA supports Perth Proposal 14 in preference to Proposal 01/2013, contending that the City of Perth is best qualified to manage the planning requirements of key commercial and institutional precincts. In terms of future development, the University considers its own strategic direction to align with that of Perth. UWA also notes that its campus is currently situated within three local governments, including a boundary that runs through Winthrop Hall. As such, it supports Perth's proposal to extend its boundary west to Bruce Street (rather than Broadway as recommended in Proposal 01/2013), given that the University has large investments scheduled for its campus in the vicinity of Broadway. Extension of the boundary over the relatively small distance suggested by Perth is argued to provide for significant improvement in consistent planning on both sides of Broadway, and establish a more adequate buffer zone between the University and the surrounding areas.

Other submissions

A number of parliamentarians lodged submissions, most of whom expressed opposition to Proposals 01/2013, Perth Proposals 14 and 26 and Subiaco Proposal 22 in general and the excise of the Burswood Peninsula in particular. Ms Eleni Evangel

MLA, State Member for Perth, supported Proposal 16 on the basis that she considers the entire City of Vincent to share a community of interest with the City of Perth.

The 25 public submissions in support of the Minister's proposal (01/2013) were primarily from residents of the Cities of Nedlands and Vincent who considered the Minister's suggested boundaries to be the most logical in terms of land use planning and transport links. Of the 196 submissions against the proposal, almost 80 per cent were from residents of the City of Vincent, most of whom opposed any change to the current Vincent district.

The 14 submissions in support of the City of Perth's proposal (14) were generally based on endorsement of a 'capital city' focus that consolidated major facilities and infrastructure in the Perth district, and included the high density residential areas of Burswood Peninsula, but excluded the more suburban localities in the northern part of the current Vincent district.

Of the 254 submissions against Proposal 14, over 60 per cent were from residents of the City of Vincent, most of whom opposed fragmentation of the current Vincent district. Almost 30 per cent were from residents of localities in Nedlands and Subiaco, concerned that the possible transfer of areas of the Cities of Nedlands and Subiaco to the City of Perth would lead to a reduced focus on residential service delivery in those areas. Around 5 per cent were from residents of the Town of Victoria Park in localities other than the Burswood Peninsula, objecting to the potential loss of rates revenue for their local government from the loss of the Peninsula to Perth.

Almost all of the 290 submissions in support of the City of Vincent's proposal (16) were from its own residents, primarily opposed to any change that would split the current Vincent district into more than one local government. All 38 submissions against Proposal 16 were also from residents of the City of Vincent, primarily opposing any change at all.

Following the second consultation period, 10 public submissions were lodged in support of the City of Subiaco's Proposal 22, and 34 submissions against it. A similar number of submissions were lodged in relation to the City of Perth's Proposal 26 (11 in support and 35 against).

Around 70 per cent of submissions supporting or opposing either proposal were from the areas of Nedlands, Shenton Park and Subiaco. Those in support generally wished to be included in an expanded City of Perth, expecting improvements in efficiency and more coordinated planning. Those against largely opposed the need for any change at all (though one Mount Claremont resident opposed both proposals on the basis of

support for a ‘G7’ western suburbs district, and two Mount Lawley residents opposed both on the basis of support for the current City of Vincent).

Table 23 - Submissions lodged on proposals

Origin of submissions	**Number of submissions**									
	Proposal 01/2013		**Proposal 14**		**Proposal 16**		**Proposal 22**		**Proposal 26**	
	For	Against	For	Against	For	Against	For	Against	For	Against
Local governments	1	4	2	3	1	2	0	5	1	6
Stakeholders	4	15	19	9	2	2	0	1	4	1
Individuals	25	196	14	254	290	38	10	34	11	35
Totals	**30**	**215**	**35**	**266**	**293**	**42**	**10**	**40**	**16**	**42**

Table 24 - Summary information for the Cities of Perth, Subiaco and Vincent and for Proposals 14, 26, 16, 22 and 01/2013

Summary information	**Perth**	**Vincent**	**Subiaco**	**Perth 1 Proposal (14)**	**Perth 2 Proposal (26)**	**Vincent Proposal (16)**	**Subiaco Proposal (22)**	**Minister's Proposal (01/2013)**
Burswood note	Exc. Burswood Peninsula	Exc. Burswood Peninsula	Exc. Burswood Peninsula	Inc. Burswood Peninsula	Inc. Burswood Peninsula	Exc. Burswood Peninsula	Inc. Burswood Peninsula	Inc. Burswood Peninsula
Population 2013	20,285	36,692	19,693	34,685	46,185	56,977	52,863	59,069
%variation from 100,000 in 2013	-79.7%	-63.3%	-80.3%	-65.3%	-53.8%	-43%	-47.1%	-40.9%
Population 2026	36,042	41,012	22,539	48,326	65,058	72,965	68,731	75,339
Population 2050	50,051	47,328	26,559	62,277	83,413	90,693	85,841	93,455
Strategic centre (Strategic – bold)	**Perth**	Leederville (Sec.)	Subiaco (Sec.)	**Perth** Leederville (Sec.)	**Perth** Leederville (Sec.) Subiaco (Sec.)	**Perth** Leederville (Sec.)	**Perth** Leederville (Sec.) Subiaco (Sec.)	**Perth** Leederville (Sec.)
Future industrial sites	None	None	None	None	None	None	None	None
Additional dwelling Target (D2031)	12,600	5,000	3,000	No data	No data	17,600	21,900	18,900
Local employment (self-containment) %	1310%	89.6%	272%	No data	No data	No data	No data	No data
Total FTE	680	192	206	No data	No data	No data	No data	No data

Summary information	Perth	Vincent	Subiaco	Perth 1 Proposal (14)	Perth 2 Proposal (26)	Vincent Proposal (16)	Subiaco Proposal (22)	Minister's Proposal (01/2013)
Total Expenditure	$162,324,182	$48,927,550	$42,200,000	No data	No data	No data	No data	No data
Total Rates	$72,452,120	$25,222,320	$19,900,000	No data	No data	No data	No data	No data
Average residential GRV	$26,461	$17,620	$24,986	No data	No data	No data	No data	No data
Average residential rate	$914	$1,149	$1,281	No data	No data	No data	No data	No data
GRV rate in $	0.04131	0.06995	0.0584	No data	No data	No data	No data	No data
Rates as % of revenue	40.9%	53.8%	46.5%	No data	No data	No data	No data	No data
Residential rates %	14.77%	na	54.3%	No data	No data	No data	No data	No data
Commercial rates %	82.57%	na	39.1%	No data	No data	No data	No data	No data
DLG financial health check	Strong	Poor	Strong	No data	No data	No data	No data	No data
Operating Surplus 2013	0.158	-0.016	0.078	0.18	0.11	0.121	0.15	0.14
Current ratio 2013	0.956	0.461	1.330	0.99	1.44	0.859	1.00	0.91
WATC Ratio Profile	No data	No data	No data	extremely well balanced	well balanced	well balanced	balanced	extremely well balanced
WATC Financial Sustainability Score 2010-13	86	47	83	87	88	80	76	83
WATC Financial Sustainability Score 2010-17	88	63	72	91	87	85	89	88

Assessment of the City of Vincent's Proposal 16

against Local Government Advisory Board criteria

Proposal 16 was assessed and recommended by the Board with minor amendments.

From the City of Vincent proposal:

"The arguments for a complete amalgamation are very clear and logical and are based on two foundations: the first is the shared identity and similarities between the City of Perth and City of Vincent communities; the second are the benefits both Cities will receive from such an amalgamation."

Community of interest

While the Board notes the City of Perth is focused on a vibrant capital city and CBD and Vincent is a mixed residential and commercial area, the Board also notes there are community of interest links between the people residing within the inner Perth area.

The Board notes that:

- Demographic characteristics are relatively similar.
- Industry of employment and journey to work patterns are relatively similar
- Both areas are in the local intake area of Mount Lawley high school
- Perth and Vincent residents receive the same local community newspaper
- The Perth and Vincent areas are in the same Legislative Assembly seat and Legislative Council electoral region
- Perth and Vincent are both located within the Federal division of Perth.

The Board can see no compelling issues adversely impacting community of interest in the various localities affected by the proposed amalgamation to suggest that it should not proceed. Both the Perth and Vincent local governments share a vision for vibrancy in lifestyles and local centres; these visions reflect similar community aspirations. The capacity of the local government to engage the community would remain strong. The resources (physical and financial) of the City of Perth will mean that the service needs of specific communities of interest would be well served. Any changes in local government boundaries would not lessen the amenity enjoyed by residents of this area. The Board's view was that this proposal rated highest on this criterion relative to other proposals.

Physical and topographic features

The Swan River and Mitchell Freeway provide strong boundaries for the proposed local government. It is noted that where applicable the mid-point of the Swan River is a logical boundary. The other road boundaries (Green Street, Walcott Street) already serve as local government boundaries. The Board believes the proposed boundaries would not affect the capacity of the broader community to access services or the capacity of the local government to service the community. The proposed boundary does not however address the UWA Crawley anomaly.

Demographic trends

There are some points of difference in the demographic details of the localities affected by the proposed amalgamation. The City of Perth has relatively fewer children and seniors, reflecting its inner city / CBD location where many city workers choose to live. Households tend to be smaller, reflecting the higher percentage living in higher density forms of housing (flats and apartments). The proposal will allow the City of Perth to develop a more diverse residential and commercial demographic. The proposal creates a larger population base with a greater spread of diversity. However, the City of Perth does not support inclusion of the larger residential area of the City of Vincent as it does not consider this evolution to be consistent with its strategic focus. The residential population of the City of Perth is growing significantly and this will impact on the City of Perth's strategic approach to service delivery. The Board believes the capacity of the local government to service the needs of the growing and changing community, including a significant service population comprised of workers and visitors, would be strong. Demographic trends are not considered a major factor in assessing this proposal.

Economic factors

With the focus remaining on the capital city centre of Perth, and secondary centre of Leederville, the impact of the proposed amalgamation on economic factors is considered by the Board to be positive, reinforcing the capacity of the local government to service a growing socially and economically diverse resident community and the wider metropolitan community. In the Board's view, any change in local government arrangements in the region is unlikely to negatively affect local infrastructure, and most infrastructure providers are likely to welcome a consolidation of local governments to simplify consultation and management arrangements. The City of Perth's Economic Development Strategy provides the basis for economic growth and investment across the broader area. The proposal is consistent with facilitating the objectives of the State

Government's *Directions 2031 and Beyond* planning framework. The Board believes the proposal would further diversify the economic base of the City of Perth.

The history of the area

In the Board's view, there are no significant issues associated with the history of the areas affected by the proposed merger to suggest that it should not proceed. The amalgamation might be seen by some as contributing to a loss of history, but that history will fundamentally remain. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. There are historical links between the areas affected by the proposal; Vincent was previously part of the City of Perth. 'Maintain the character and heritage of the areas' is an objective within the Vincent strategic community plan, and this would still be possible within the enlarged City of Perth. The history of the area is not considered a major factor in assessing this proposed local government.

Transport and communication

With Perth the focus for the public transport network and many major roads, the expansion of the City of Perth offers the potential for greater integration of transport planning. This is particularly relevant in the case of Leederville due to the presence of a transport hub with a railway station linked to the CBD by a CAT bus service. The City of Vincent believes that the amalgamation will assist in streamlining decision making for transport and bike infrastructure by bringing this policy area under one authority, ensuring only one authority is driving the implementation plan for these transport decisions and avoiding the delays currently experienced by having two local governments implementing their component of the same transport network. Traffic management and parking in the proposed area would be subject to the one regime and transport activities, especially parking and CAT bus services, could be more effectively integrated to promote sustainable transport initiatives, to facilitate the enhancement of CBD activities and the city's role as the capital city. The transport linkages in Northbridge will be significantly improved in the long term as a result of the City Link and the MAX Light Rail projects. This will allow for greater integration between the City of Perth and the City of Vincent. As such, the Board believes the proposal offers transport benefits to residents and businesses of the area and the potential for improved access to services by the community.

Matters affecting the viability of local governments

The proposed amalgamation improves parity compared to existing local governments and will result in a significant benefit for the current City of Vincent area which is

otherwise considered vulnerable and will result in increased financial sustainability. The WATC analysis indicates that the proposed local government demonstrates strong sustainability scores in all areas except current ratio (on benchmark) and aside from this is a well-balanced proposal. Given the financial strength of the proposed local government, and the potential to address sustainability issues and rationalise some duplicated infrastructure assets, the proposed amalgamation is considered by the Board to have a positive outcome on this criterion.

The effective delivery of local government services

The effective delivery of local government services would be maintained and potentially enhanced by the proposed local government, which would have the capacity and resources to deliver services to a comparable standard to those currently provided. The local government would be relatively compact in terms of its size and the geographical spread of the population. In the Board's view, the capacity of the local government to effectively service the community would be strong. The proposal is consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community. Major projects identified in community plans could proceed, while capacity to support major projects would be maintained or enhanced.

Assessment of the City of Perth's Proposal 14

against Local Government Advisory Board criteria

Proposal 14 was assessed and rejected by the Board.

From the City of Perth proposal:

"We have considered various proposed boundaries very judiciously and were considerate of the previous (existing) boundaries or neighbouring authorities long term plans and how they reconciled with actual performances to date. In our due diligence processes we have closely assessed all aspects of our core business applying proven principles of local government best-practice to ensure our forward recommendations and commitments are firstly workable; secondly achievable and third - most likely to enable our City to be a high performing and successful model of reform in action."

Community of interest

There are strong community of interest links within the inner Perth area. There are no compelling issues of community of interest in the various localities affected by the proposal to suggest that the boundary change should not proceed. Both existing local governments (Perth and Vincent) share a vision for vibrancy in lifestyles and local centres; these visions reflect similar community aspirations. The capacity of the local government to engage the community would remain strong. The resources (physical and financial) of the City of Perth will mean that the service needs of specific communities of interest would be well served. The Board considered that the proposed changes in local government boundaries would not lessen the amenity enjoyed by residents of this area.

The inclusion of the Burswood Peninsula can be considered problematic from a community of interest perspective. On the one hand, there is some linkage between the major facilities and events held at Burswood and the functions and role of the Perth CBD. Conversely, the people who live close to the facilities and events held at Burswood have an interest in how the associated issues are managed, and their interest may not be readily addressed if the area was in a different local government. On just about every indicator, the Board found it difficult to justify a community of interest between the Burswood Peninsula and the Perth CBD. The residents of Burswood clearly have a stronger community of interest with the peninsula generally, and with Victoria Park more broadly. The Board's view was that this proposal did not rate as highly on this criterion as the City of Vincent's Proposal 16.

Physical and topographic features

The Swan River provides a strong boundary for the proposed local government (it is noted that where applicable the mid-point of the Swan River is a logical boundary), but the other road boundaries are a mixture of main roads (e.g. Thomas Street) and more suburban streets (e.g. Richmond Street Leederville, Bruce Street Nedlands). While not as ideal as boundaries, they would not affect the capacity of the broader community to access services or the capacity of the local government to service the community. There would be advantages in having UWA and the QE2 medical centre within one local government, but the proposed boundary is not ideal. The proposed boundary at Summers St, East Perth is somewhat anomalous, although it is common to a number of proposals. (The Farmer Freeway would be a more logical boundary). The Board believes the boundary extension across the Swan River to Burswood is difficult to justify and this is a reason why this proposal is rated adversely on this criterion.

Demographic trends

There are no compelling points of difference in the demographic details of the localities affected by the proposed boundary change. While the proposal will allow the City of Perth to develop a more diverse demographic, it would be a larger population and more diverse under the City of Vincent Proposal 16. The residential population of the City of Perth is growing significantly and this will impact on the City of Perth's strategic approach to service delivery. The Board believes the capacity of the local government to service the needs of the growing and changing community, including a significant service population comprised of workers and visitors, would be strong. Demographic trends are not considered a major factor in assessing this proposal.

Economic factors

With the focus remaining on the capital city centre of Perth, and secondary centre of Leederville, the impact of the proposed boundary change on economic factors is considered to be positive, reinforcing the capacity of the local government to service a growing socially and economically diverse resident community and the wider metropolitan community. Any change in local government arrangements in the region is unlikely to negatively affect local infrastructure. The City of Perth's Economic Development Strategy provides the basis for economic growth and investment across the broader area. The proposal is consistent with facilitating the objectives of the State Government's *Directions 2031 and Beyond* planning framework. The Board believes the proposal would improve the economic base of the City of Perth, however in doing so it establishes a more fragmented entity particularly in the area of the Burswood Peninsula and the UWA and QE2 medical centre.

The history of the area

In the Board's view, there are no significant issues associated with the history of the areas affected by the proposed boundary change to suggest that it should not proceed. While local government arrangements may change their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. There are some historical links between the areas affected by the proposal. Some of the areas were previously part of the City of Perth but some parts of the proposal like the Nedlands area have limited historical connection to the City. While the history of the area is not considered a major factor in assessing this proposal, the Board rated this proposal lower on this criterion.

Transport and communication

As the focus for the public transport network and many major roads, the expansion of the City of Perth offers the potential for greater integration of transport planning. This is particularly relevant in the case of Leederville due to the presence of a transport hub with a railway station linked to the CBD by a CAT bus service. The transport linkages in Northbridge will be significantly improved in the long term as a result of the City Link and the MAX Light Rail project. Traffic management and parking in the proposed area would be subject to the one regime. As such, the Board believes the proposal offers some transport benefits to residents and businesses of the area and some potential for improved access to services by the community. However, there may well be disbenefits for the Burswood Peninsula given the fragmentation of management of the area.

Matters affecting the viability of local governments

The proposed boundary change largely maintains the City's strong financial position. The WATC ratio analysis shows the entity is an extremely well balanced local government in all areas except for current ratio, the only area of noticeable weakness. This is not considered by the WATC to be a serious impediment to considering this proposal given the strength of all other ratios and projected financial performance. Given the potential financial capacity of the City and the scope to address sustainability issues, the proposed boundary change is considered by the Board to have a positive outcome on this criterion.

The effective delivery of local government services

The effective delivery of local government services would be maintained and potentially enhanced by the proposed local government, which would have the capacity and resources to deliver services to a comparable standard to those currently provided. The local government would be relatively compact in terms of its size and the geographical

spread of the population. In the Board's view, there would be some improvement in the capacity of the local government to service the community. The proposal, while consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community, is rated lower on this criterion than the City of Vincent's Proposal 16. Major projects identified in community plans could proceed, while capacity to support major projects would be maintained. However, there may well be disbenefits for the Burswood Peninsula given the fragmentation of management of the area.

Assessment of the City of Perth's Proposal 26

against Local Government Advisory Board criteria

Proposal 26 was assessed and rejected by the Board.

From the City of Perth proposal 2:

"Applying the same criteria as in its original proposal the Council are strongly of the view that the additional areas contained in this proposal will further strengthen the City of Perth while maintaining its predominantly inner city focus."

Community of interest

There are some community of interest linkages between Subiaco and the Perth CBD, particularly for the commercial sector, especially those in northern Subiaco adjacent to Hay Street. This was reflected in the unsuccessful proposal from Subiaco electors, led by the Subiaco Business Association[57]. On the other hand, Subiaco would seem to have stronger community of interest linkages to the western suburbs, as indicated by the history of local government regional cooperation, local community newspapers, electoral districts, high school intake areas, and transport and public transport links. Nevertheless, the capacity of the local government to be formed under this proposal to engage the community would remain strong. The resources (physical and financial) of the City of Perth will mean that the service needs of specific communities of interest would be well served. The Board considered that the proposed changes in local government boundaries would not lessen the amenity enjoyed by residents of this area.

The inclusion of the Burswood Peninsula can be considered problematic from a community of interest perspective. On the one hand, there is some linkage between the major facilities and events held at Burswood and the functions and role of the Perth CBD. Conversely, the people who live close to the facilities and events held at Burswood have an interest in how the associated issues are managed, and their interest would not be readily addressed if the area was in a different local government. On just about every indicator, the Board found it difficult to justify a community of interest between the Burswood Peninsula and the Perth CBD. The residents of Burswood clearly have a stronger community of interest with the peninsula generally, and with Victoria Park more broadly. The Board's view was that this proposal did not rate as highly on this criterion as the City of Vincent's Proposal 16.

[57] The proposal was unsuccessful as it did not comply with Schedule 2.1 clause 2 of the Act.

Physical and topographic features

The Swan River provides a strong boundary for the proposed local government (it is noted that where applicable the mid-point of the Swan River is a logical boundary), but the northern and western boundaries follow more than 20 roads and streets, a mixture of main roads (e.g. Stirling Highway (for a short distance) and various suburban streets (e.g. Richmond Street Leederville, Bruce Street Nedlands, Derby Road Shenton Park). While not as ideal as boundaries, they would not affect the capacity of the broader community to access services or the capacity of the local government to service the community. There would be advantages in having UWA and the QE2 medical centre within one local government, but the proposed boundary is not ideal. The proposed boundary at Summers St, East Perth is somewhat anomalous, although it is common to a number of proposals. (The Farmer Freeway would be a more logical boundary). The Board believes the boundary extension across the Swan River to Burswood is difficult to justify and this is a reason why this proposal is rated adversely on this criterion.

Demographic trends

There are some points of difference in the demographic details of the localities affected by the proposed boundary change. Typical of CBD areas, the City of Perth has fewer children and seniors, smaller families and households and higher representation of youth. Subiaco also has a high proportion of young people, reflecting its proximity to the University. Subiaco is also different to Perth in that it has a higher proportion of people in the older age groups. Housing is predominantly high density in Perth, whereas Subiaco is predominantly separate houses, although it has much more medium and high density housing than the metropolitan area generally. The proposal will allow the City of Perth to develop a more diverse residential and commercial demographic.

The residential population of the City of Perth is growing significantly and this will impact on the City of Perth's strategic approach to service delivery. The Board believes the capacity of the local government to service the needs of the growing and changing community, including a significant service population comprised of workers and visitors, would be strong. Demographic trends are not considered a major factor in assessing this proposal.

Economic factors

With the focus on the capital city centre of Perth, and secondary activity centres of Subiaco and Leederville, the impact of the proposed boundary change on economic factors is considered to be positive, reinforcing the capacity of the local government to service a growing socially and economically diverse resident community and the wider metropolitan community. Any change in local government arrangements in the region is

unlikely to negatively affect local infrastructure, and most non local government infrastructure providers are likely to welcome a consolidation of local governments to simplify consultation and management arrangements. The economic development strategies developed by both Perth and Subiaco provides the foundation for further economic growth and investment across the broader area. The proposal is consistent with facilitating the objectives of the State Government's *Directions 2031 and Beyond* planning framework. The Board believes the proposal would diversify the economic base of the City of Perth, however in doing so it establishes a more fragmented entity particularly in the area of the Burswood Peninsula and the UWA and QEII medical centre.

The history of the area

In the Board's view, there are no significant issues associated with the history of the areas affected by the proposed merger to suggest that it should not proceed. The boundary change might be seen by some as contributing to a loss of history, but that history will fundamentally remain. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history.

There are no significant differences in the history of the areas affected by the proposal to suggest that the proposed boundary change should not proceed. The protection of significant heritage buildings is an objective within the Subiaco strategic community plan, and this would still be possible within the enlarged City of Perth. While the history of the area is not considered a major factor in assessing this proposal, the Board rates this proposal low on this criterion.

Transport and communication

As the focus for the public transport network and many major roads, the expansion of the City of Perth offers the potential for greater integration of transport planning. This is particularly relevant in the case of Leederville due to the presence of a transport hub with a railway station linked to the CBD by a CAT bus service. The City of Subiaco is developing an integrated transport strategy. Traffic management and parking in the proposed area would be subject to the one regime and transport activities, especially parking and CAT bus services, could be more effectively integrated to promote sustainable transport initiatives to facilitate the enhancement of activity centres and the city's role as the capital city. The transport linkages in Northbridge will be significantly improved in the long term as a result of the City Link and the MAX Light Rail project. As such, the Board believes the proposal offers some transport benefits to residents and businesses of the area and some potential for improved access to services by the

community. However, there may well be disbenefits for the Burswood Peninsula given the fragmentation.

Matters affecting the viability of local governments

The proposed boundary change maintains the City's strong financial position. The WATC ratio analysis shows the entity would be a well-balanced local government in all areas except for operating surplus ratio, which is on benchmark on a forward looking basis and shows as the only area of noticeable weakness. According to the WATC this is not a serious impediment to considering this proposal given the strength of all other ratios and projected financial performance. The proposed boundary change is considered by the Board to have a positive outcome on this criterion.

The effective delivery of local government services

The effective delivery of local government services would be maintained and potentially enhanced by the proposed local government, which would have the capacity and resources to deliver services to a comparable standard to those currently provided. The local government would be relatively compact in terms of its size and the geographical spread of the population. In the Board's view, there would be some improvement in the capacity of the local government to service the community. The proposal, while consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community, is rated lower on this criterion by the Board than the City of Vincent's Proposal 16. Major projects identified in community plans could proceed, while capacity to support major projects would be maintained. However, there may well be disbenefits for the Burswood Peninsula given the fragmentation of management of the area.

Assessment of the City of Subiaco's Proposal 22

against Local Government Advisory Board criteria

Proposal 22 was assessed and rejected by the Board.

From the City of Subiaco proposal:

"[Council] advises the Local Government Advisory Board that the City of Subiaco's preferred position is to remain an independent local government noting the results of the community survey and the online survey of people of Subiaco … Council's sole concern is to protect the people of Subiaco and staff from loss of both independent identity and from financial mismanagement of their money."

Community of interest

There are some community of interest linkages between Subiaco and the Perth CBD, particularly for the commercial sector, especially those in northern Subiaco adjacent to Hay Street. This was reflected in the unsuccessful proposal from Subiaco electors, led by the Subiaco Business Association. On the other hand, Subiaco would seem to have stronger community of interest linkages to the western suburbs, as indicated by the history of local government regional cooperation, local community newspapers, electoral districts, high school catchments and transport links. Nevertheless, the capacity of the local government to be formed under this proposal to engage the community would be strong. The resources (physical and financial) of the City of Perth will mean that the service needs of specific communities of interest would be well served. The Board considered that the proposed changes in local government boundaries would not lessen the amenity enjoyed by residents of this area.

The inclusion of the Burswood Peninsula can be considered problematic from a community of interest perspective. On the one hand, there is some linkage between the major facilities and events held at Burswood and the functions and role of the Perth CBD. Conversely, the people who live close to the facilities and events held at Burswood have an interest in how the associated issues are managed, and their interest would not be readily addressed if the area was in a different local government. On just about every indicator, the Board found it difficult to justify a community of interest between the Burswood Peninsula and the Perth CBD. The residents of Burswood clearly have a stronger community of interest with the peninsula generally, and with Victoria Park more broadly. The Board's view was that this proposal did not rate as highly on this criterion as the City of Vincent's Proposal 16.

Physical and topographic features

The Swan River provides a strong boundary for the proposed local government (it is noted that where applicable the mid-point of the Swan River is a logical boundary), but the other road boundaries are a mixture of main roads (e.g. Thomas Street) and more suburban streets (e.g. Richmond Street Leederville, Bruce Street Nedlands). While not as ideal as boundaries, they would not affect the capacity of the broader community to access services or the capacity of the local government to service the community. In part, the proposal follows the existing boundaries of the City of Subiaco. There would be advantages in having UWA and the QE2 medical centre within one local government, but the proposed boundary in this proposal is not considered optimum. The proposed boundary at Summers St, East Perth is somewhat anomalous, although it is common to a number of proposals. (The Farmer Freeway would be a more logical boundary). The Board believes the boundary extension across the Swan River to Burswood is difficult to justify.

Demographic trends

There are some points of difference in the demographic details of the localities affected by the proposed boundary change. Typical of CBD areas, the City of Perth has fewer children and seniors, smaller families and households and higher representation of youth. Subiaco also has a high proportion of youth, reflecting its proximity to the University. Subiaco is also different to Perth in that it has a higher proportion of people in the older age groups. Housing is predominantly high density in Perth, whereas Subiaco is predominantly separate houses, although it has much more medium and high density housing than the metropolitan area generally. The proposal will allow the City of Perth to develop a more diverse residential and commercial demographic.

The residential population of the City of Perth is growing significantly and this will impact on the City of Perth's strategic approach to service delivery. The capacity of the local government to service the needs of the growing and changing community, including a significant service population comprised of workers and visitors would be strong. Demographic trends are not considered a major factor in assessing this proposal.

Economic factors

With the focus on the capital city centre of Perth, and secondary centres of Subiaco and Leederville, the impact of the proposed boundary change on economic factors is considered to be positive, reinforcing the capacity of the local government to service a growing socially and economically diverse resident community and the wider metropolitan community. Any change in local government arrangements in the region is unlikely to negatively affect local infrastructure, and most non local government

infrastructure providers are likely to welcome a consolidation of local governments to simplify consultation and management arrangements. The economic development strategies developed by both Perth and Subiaco provides the foundation for further economic growth and investment across the broader area. The proposal is consistent with facilitating the objectives of the State Government's *Directions 2031 and Beyond* planning framework. The Board believes the proposal would diversify the economic base of the City of Perth, however in doing so it establishes a more fragmented entity particularly in the area of the Burswood Peninsula and the UWA and QEII medical centre. Consequently the Board rates this proposal lower on this criterion than the City of Vincent Proposal 16.

The history of the area

In the Board's view, there are no significant issues associated with the history of the areas affected by the proposed boundary change to suggest that it should not proceed. The change might be seen by some as contributing to a loss of history, but that history will fundamentally remain. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. There are some historical links between the areas affected by the proposal. The protection of significant heritage buildings is an objective within the Subiaco strategic community plan, and this would still be achievable within the enlarged City of Perth. While the history of the area is not considered a major factor in assessing this proposal, the Board rates this proposal lower on this criterion than the City of Vincent Proposal 16.

Transport and communication

As the focus for the public transport network and many major roads, the expansion of the City of Perth offers the potential for greater integration of transport planning. This is particularly relevant in the case of Leederville due to the presence of a transport hub with a railway station linked to the CBD by a CAT bus service. The City of Subiaco is developing an integrated transport strategy. Traffic management and parking in the proposed area would be subject to the one regime and transport activities, especially parking and CAT bus services, could be more effectively integrated to promote sustainable transport initiatives, to facilitate the enhancement of activity centres and the city's role as the capital city. The transport linkages in Northbridge will be improved in the long term as a result of the City Link and the MAX Light Rail project. Traffic management and parking in the proposed area would be subject to the one regime. As such, the Board believes the proposal offers some transport benefits to the residents and businesses of the area and some potential for improved access to services by the

community. However, there may well be disbenefits for the Burswood Peninsula given the fragmentation of management of the area.

Matters affecting the viability of local governments

The proposed boundary change largely maintains the City's strong financial position. The WATC ratio analysis shows the entity is a balanced local government and above benchmark in all areas except for the current ratio which is the only noticeable area of weakness. According to the WATC, this is not a serious impediment to considering this proposal. Given the potential financial strength of the City and the scope to address sustainability issues and rationalise some duplicated infrastructure assets, the proposed boundary change is considered by the Board to have a positive outcome on this criterion.

The effective delivery of local government services

The Board believes the effective delivery of local government services would be maintained and potentially enhanced by the proposed local government. In the Board's view, there would be some improvement in the capacity of the local government to service the community. The local government would be relatively compact in terms of its size and the geographical spread of the population. The proposal is consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community. Major projects identified in community plans could proceed, while capacity to support major projects would be enhanced. However, there may well be disbenefits for the Burswood Peninsula given the fragmentation of management of the area.

Assessment of the Minister's Proposal 01/2013

against Local Government Advisory Board criteria

Proposal 01/2013 was assessed and rejected by the Board.

From the Minister's proposal 01/2013:

"The proposal, if implemented, would create a stronger local government, with an increased capacity to provide the best possible services to residents in the enlarged district and with the maximum efficiency. There would be a significant opportunity to reduce administrative duplication and generate significant long-term savings due to economies of scale, and rationalisation of management and administrative support staff. Through co-ordinated long term planning there would be opportunities to rationalise assets and the provision of services, for the benefit of residents and businesses across the whole of the affected local government districts."

Community of interest

There are strong community of interest links within the inner Perth area. There are a number of similarities between Perth and Vincent:

- Demographic characteristics are relatively similar.
- Industry of employment and journey to work patterns are relatively similar.
- Both are in the local intake area of the Mount Lawley high school.
- Perth and Vincent areas receive the same local community newspaper.
- The Perth and Vincent areas are in the same Legislative Council electoral region and Legislative Assembly seats.
- Perth and Vincent are both located within the Federal electorate of Perth.

With the exception of the Burswood Peninsula, there are no compelling issues of community of interest in the various localities affected by the proposed boundary change to suggest that the boundary change should not proceed. Both existing local governments (Perth and Vincent) share a vision for vibrancy in lifestyles and local centres; these visions reflect similar community aspirations. The capacity of the local government to engage the community would remain strong. The resources (physical and financial) of the City of Perth will mean that the service needs of discrete communities of interest would be well served. Any changes in local government boundaries would not lessen the amenity enjoyed by residents of this area.

The inclusion of part of the Burswood Peninsula can be considered problematic from a community of interest perspective. On the one hand, there is some linkage between the major facilities and events held at Burswood and the functions and role of the Perth CBD. Conversely, the people who live close to the facilities and events held at Burswood have an interest in how the associated issues are managed, and their interest would not be readily addressed if the area was in a different local government. On just about every indicator the Board found it difficult to justify a community of interest between the Burswood Peninsula and the Perth CBD. The residents of Burswood clearly have a stronger community of interest with the peninsula generally, and with Victoria Park more broadly. The Board's view was that this proposal did not rate as highly on this criterion as the City of Vincent's Proposal 16.

Physical and topographic features

The Swan River and Mitchell Freeway provide strong boundaries for the proposed local government. It is noted that where applicable the mid-point of the Swan River is a logical boundary (there is a precedent through the Australian Electoral Commission for using the river midpoint as the boundary). The other road boundaries (Green Street, Walcott Street) already serve as local government boundaries. The boundary extension across to the Burswood locality, where it crosses the Swan River for some distance, is difficult to justify both in terms of not taking in the whole Burswood Peninsula, and more fundamentally, in crossing the river. Only in Fremantle, at the lower reaches, and Swan, in the upper reaches, does a local government take in both sides of the Swan River (noting the City of Perth already includes Heirisson Island). The 2007 Board position on not splitting the Burswood Peninsula is noted.

In general, the proposed boundaries would not affect the capacity of the broader community to access services or the capacity of the local government to service the community, but the boundary around the peninsula, separating the residential precinct from the entertainment precinct would potentially affect the amenity of Burswood residents. There would be advantages in having UWA and the QE2 medical centre within one local government, but the proposed boundary is not ideal. The proposed boundary at Summers St, East Perth is somewhat anomalous, although it is common to a number of proposals.

On balance, the proposed boundaries do not deliver an optimal and logical outcome. While they deliver a positive result for an expanded City of Perth they also create a number of boundary anomalies. Clearly the most significant anomaly is the splitting of the Burswood Peninsula which would be a less than ideal outcome for future planning and development on the Peninsula. The Board considers the boundary extension across

the Swan River to Burswood is difficult to justify and this is a reason why this proposal is rated adversely on this criterion.

Demographic trends

There are some points of difference in the demographic details of the localities affected by the proposed boundary change. The City of Perth has relatively fewer children and seniors, reflecting its inner city / CBD location where many city workers choose to live. Households tend to be smaller, reflecting the higher percentage living in higher density forms of housing (flats and apartments). The proposal will allow the City of Perth to develop a more diverse residential demographic, however the City of Perth does not support inclusion of the larger residential area of the City of Vincent as it does not consider this evolution to be consistent with its strategic focus.

The inclusion of part of the Burswood Peninsula does not impact on the demographics of the proposed local government, as this portion currently has no resident population. The residential population of the City of Perth is growing significantly and this will impact on the City of Perth's strategic approach to service delivery. The Board believes the capacity of the local government to service the needs of the growing and changing community, including a significant service population comprised of workers and visitors, would be strong. Demographic trends are not considered a major factor in assessing this proposal.

Economic factors

With the focus remaining on the capital city centre of Perth, and secondary centre of Leederville, the impact of the proposed boundary change on economic factors is considered to be positive, reinforcing the capacity of the local government to service a growing socially and economically diverse resident community and the wider metropolitan community.

Any change in local government arrangements in the region is unlikely to negatively affect local infrastructure, and most non-local government infrastructure providers are likely to welcome a consolidation of local governments to simplify consultation and management arrangements. The City of Perth's Economic Development Strategy provides the basis for economic growth and investment across the broader area, and the inclusion of part of the Burswood Peninsula would strengthen the economic potential of the City. The proposal is consistent with facilitating the objectives of the State Government's *Directions 2031 and Beyond* planning framework. The Board believes the proposal would diversify the economic base of the City of Perth, however in doing so it establishes a more fragmented entity particularly in the area of the Burswood Peninsula and the UWA and QE2 medical centre.

The history of the area

In the Board's view, there are no significant issues associated with the history of the areas affected by the proposed boundary change to suggest that it should not proceed. The change might be seen by some as contributing to a loss of history, but that history will fundamentally remain. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. There are historical links between the areas affected by the proposal; Vincent was previously part of the City of Perth. In the Board's view, there are no significant differences in the history of the areas to suggest that the proposed boundary change should not proceed. 'Maintain the character and heritage of the areas' is an objective within the Vincent strategic community plan, and this would still be possible within the enlarged City of Perth. While the history of the area is not considered a major factor in assessing this proposal, the Board rates this proposal lower on this criterion than the City of Vincent Proposal 16.

Transport and communication

As the focus for the public transport network and many major roads, the expansion of the City of Perth offers the potential for greater integration of transport planning. This is particularly relevant in the case of Leederville due to the presence of a transport hub with a railway station linked to the CBD by a CAT bus service. The City of Vincent believes that the amalgamation will assist in streamlining decision making for transport and bike infrastructure by bringing this policy area under one authority, ensuring only one authority is driving the implementation plan for these transport decisions and avoiding the delays currently experienced by having two local governments implementing their component of the same transport network. Traffic management and parking in the proposed area would be subject to the one regime and transport activities, especially parking and CAT bus services, could be more effectively integrated to promote sustainable transport initiatives, to facilitate the enhancement of activity centres and the city's role as the capital city.

The transport linkages in Northbridge will be significantly improved in the long term as a result of the City Link and the MAX Light Rail project. This will allow for greater integration between the City of Perth and the City of Vincent. As such, the Board believes the proposal offers transport benefits to residents and businesses of the area and the potential for improved access to services by the community. The inclusion of part of the Burswood Peninsula adds an additional challenge in managing transport impacts associated with the new stadium and other developments.

Matters affecting the viability of local governments

The proposed boundary change improves parity compared to existing local governments and will result in a significant benefit for the current City of Vincent which is otherwise considered vulnerable. There is only a marginal decrease in the sustainability of a restructured City of Perth under this proposal. The WATC analysis shows the merged entity is an extremely well balanced local government in all areas except for current ratio (improving but still below benchmark). The WATC advised that this is not a serious impediment to considering this proposal given the strength of all other ratios and projected financial performance. Given the financial position of the proposed local government the proposed boundary change is considered by the Board to have a positive outcome on this criterion. The inclusion of part of the Burswood Peninsula has no effect on the City of Perth's financial sustainability score.

The effective delivery of local government services

The effective delivery of local government services would be maintained and potentially enhanced by the proposed local government, which would have the capacity and resources to deliver services to a comparable standard to those currently provided. A broader base of staff expertise will have positive flow on effects for ratepayers of the City of Vincent. The local government would be relatively compact in terms of its size and the geographical spread of the population. In the Board's view, the capacity of the local government to effectively service the community would be strong. The proposal is consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community. Major projects identified in community plans could proceed, while capacity to support major projects would be enhanced.

The inclusion of part of the Burswood Peninsula would potentially impact on requirements for event management, noise control and parking control. This would constitute an unfavourable outcome for the Town of Victoria Park (or new entity) residents as management responsibility would fall outside their district boundaries.

Review and recommendations

There is considerable common ground in the proposals, reflecting in part the proximity of the areas to Perth, the history of the area and the former history of Perth as a larger local government entity which included what is now the City of Vincent.

Key points of difference among the proposals centre on:

- Whether the enlarged City of Perth should subsume all of the City of Vincent or just part of Vincent.
- How much of the Crawley locality should be incorporated, centred on The University of WA, the QEII Medical Centre and Hollywood Private Hospital.
- Whether all or part of the City of Subiaco should be included
- Whether the Burswood Peninsula should be included, and if so, which parts?

Additional issues were considered around the following;

- Inclusion of the Point Currie (Pelican Point) including the Royal Perth Yacht Club (included in the City of Perth proposal)
- Inclusion of the entire locality of Crawley (included in the City of Subiaco proposal)
- Inclusion of the locality of West Leederville (included in the City of Perth proposal; part of the Robson review Option B)

The Minister's Proposal 1/2013 and 3/2013 are consistent with the City of Bayswater proposal in that the small portion of Vincent (the Banks precinct) would be transferred to the City of Bayswater.

To some degree, all proposals have the potential to generate positive outcomes. While the financial sustainability scores are universally high for these proposals, after considering all of the relevant criteria the Board has assessed the City of Vincent proposal 16 as the preferred proposal for this area.

The Board considered that the City of Vincent proposal 16 as presented was closest to the 'best' local government boundaries for this area. The Board noted the extensive community support for a complete merger of Perth and Vincent. Proposal 16 stood out as being the best in terms of the strong community of interest links within the inner Perth area; the capacity to effectively service the needs of the growing and changing community, including a significant service population; the potential for greater integration of transport planning; the strong financial sustainability scores and financial strength with the potential to address sustainability issues; the focus that could be provided on the

capital city centre of Perth, and secondary centre of Leederville, through the City of Perth's Economic Development Strategy facilitating economic growth and investment across the broader area.

A major consideration in this determination was the Burswood Peninsula. As has already been mentioned in the assessment summaries (above), the Board found it difficult to justify a community of interest between the Burswood Peninsula and the Perth CBD, finding that the residents of Burswood clearly have a stronger community of interest with the peninsula generally, and with the Town of Victoria Park more broadly. The Board noted major implications for local residents if responsibility for event management was under a different local government, given the potential issues around parking, traffic, noise and other nuisances.

The Board was also conscious of the desirability of addressing anomalies around the University of Western Australia and the Queen Elizabeth II Medical Centre, which are currently split between three and two local governments respectively. Most proposals addressed these anomalies in one form or another, although the City of Vincent proposal 16 did not. The Board took the view that it was most desirable to have these precincts wholly included in one local government, but it did not accept the proposals to incorporate them into the City of Perth. The Board noted the significant ripple effect of these facilities on adjacent areas, including parking and traffic congestion, and concurred with the City of Nedlands position that their links to the western suburbs made it more appropriate to the continued control and management of the precincts than the City of Perth. The Board is supportive of all of the Nedlands and Crawley localities being within the proposed western suburbs local government (as per the Town of Mosman Park's Proposal 24).

In making its recommendations the Board has adjusted the boundaries of City of Vincent Proposal 16 by:

- Excising the Crawley area from the City of Perth and including it, together with all of the UWA and QEII precincts in the proposed western suburbs local government (Figure 5). (as per Proposal 24)
- Retaining the Banks precinct in the City of Vincent, and extending the area by one block to Ellesmere Avenue Mount Lawley (transferred from the City of Bayswater). (Figure 6).
- Making a small adjustment at Walcott Street to the boundary between the City of Vincent and City of Stirling. (Figure 7).

Figure 5 - Transfer of Crawley from the City of Perth to the City of Riversea

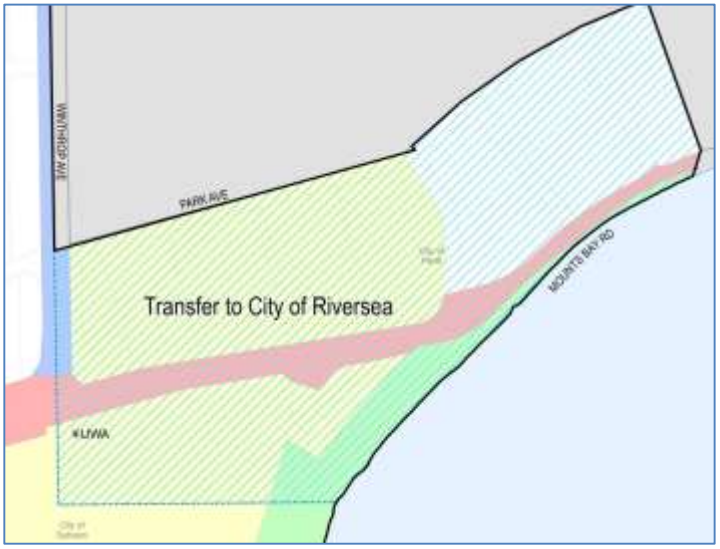
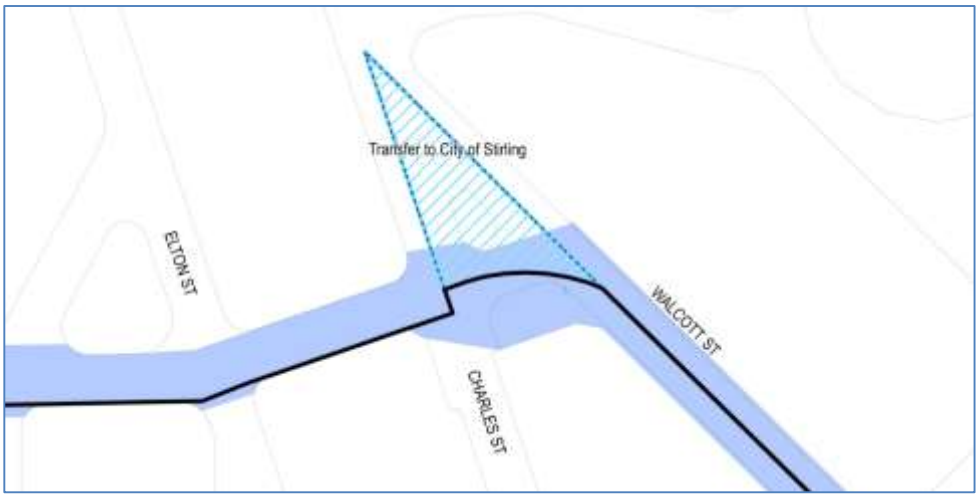


Figure 6 - Transfer of Ellesmere Road from the City of Bayswater to the City of Perth



Figure 7 - Transfer from City of Vincent to City of Stirling



The Board has deemed these changes to be ‘minor’ amendments to the City of Vincent proposal. These amendments eliminate some current anomalies, particularly in the UWA and QEII precincts.

Ward Structures

The City of Perth preference is a district ward structure for the amalgamated entity. The City of Vincent’s preferred ward structure is two wards; one ward based on the district boundaries of the City of Vincent (residential ward) and the second ward based on the district boundaries of the current City of Perth (central business district ward)

The Board acknowledges that there is not agreement between the affected local governments on a ward structure.

It is the Board’s view that equitable representation and engendering a whole of council approach is enhanced by a district ward structure. The Board also noted the significant variation of the number of electors between the City of Perth district and the City of Vincent, which if a ward structure was proposed based on these districts, would make achieving the ratio of councillors to electors within the accepted ratio difficult. The Board also noted that the inner urban communities of both districts lend itself to representation from a whole of district ward. This enables issues of common interest to be represented by the whole council.

The Board therefore recommends that the new local government has a district ward structure in place for the October 2015 elections.

Representation

Neither the City of Perth nor the City of Vincent specified a preferred number of elected members for the new entity.

The Board considers that 11 elected members (including the office of popularly elected Mayor) would have greater capacity to represent an expanded City of Perth and ensure discrete communities continued to have access to their elected representatives. The Board therefore recommend that the new local government comprise 11 elected members (including the office of popularly elected Mayor).

The new entity will be created from an amalgamation, consequently the offices of council of both the affected local governments will be disestablished at 30 June 2015 and a new council elected at the October 2015 local government elections.

Name of the new local government

Both the City of Perth and the City of Vincent agreed that the new entity be named the City of Perth.

The Board recommends naming the new district Perth and to designate the district a city. Therefore the Board recommends that the new entity arising from the proposed amalgamation of the City of Perth and the City of Vincent be named the City of Perth.

Recommendations

1. **The Local Government Advisory Board after formally inquiring into the proposal identified as Proposal 14 recommends pursuant to clause 6 (1)(a) of Schedule 2.1 of the *Local Government Act 1995* that the Minister for Local Government reject the proposal.**

2. **The Local Government Advisory Board after formally inquiring into the proposal identified as Proposal 26 recommends pursuant to clause 6 (1)(a) of Schedule 2.1 of the *Local Government Act 1995* that the Minister for Local Government reject the proposal.**

3. **The Local Government Advisory Board after formally inquiring into the proposal identified as Proposal 22 recommends pursuant to clause 6 (1)(a) of Schedule 2.1 of the *Local Government Act 1995* that the Minister for Local Government reject the proposal.**

4. **The Local Government Advisory Board after formally inquiring into the proposal identified as Proposal 01/2013 recommends pursuant to clause 6 (1)(a) of Schedule 2.1 of the *Local Government Act 1995* that the Minister for Local Government reject the proposal.**

Proposal 16 (Perth/Vincent)

The Local Government Advisory Board (the Board) recommends to the Minister:

1. **pursuant to clause 6 (1) (b) of Schedule 2.1 to the *Local Government Act 1995* (Act), that an order be made, under section 2.1 (1) (d) of the Act:**

   (a) abolishing the current districts of:

   (i) the City of Vincent; and

(ii) the City of Perth;

[see Act s2.1 (1) (c)]

(b) declaring the area of the State comprising:

(i) the former district of the City of Vincent; and

(ii) the former district of the City of Perth,

to be a district (the new district);

[see Act s2.1 (1) (a)]

(c) changing the boundaries of the new district to reflect those shown in Section 1.2 of the Appendices.

[see Act s2.1 (1) (b)]

2. pursuant to clause 10A (1) (a) of Schedule 2.1 to the Act, that:

(a) the order referred to at para 1 above, which is required to include an order naming the new district, and an order designating the district, name if the City of Perth and designate it a city;

[see Act ss 2.1 (1) (a) & s2.3 (1)]

(b) the order which specifies the number of offices of councillor on the council for the local government of the City of Perth, specify that the number of offices of councillor on the council be 10 offices.

[see Act ss 2.1 (1) (a), 2.5 (1) & 2.18 (1) (a)]

6.2 Inquiries into proposals affecting the City of Stirling

Overview of relevant proposals

This section presents the findings of the Board's Inquiries into the proposals affecting the City of Stirling.

Primary:

02/2013 Minister's Proposal: Proposed boundary amendment to the City of Stirling to incorporate into the City of Bayswater parts of Dianella and Inglewood from the City of Stirling and to incorporate into the proposed new western suburbs local government the localities of Churchlands, Herdsman, Wembley, Wembley Downs and Woodlands (part) from the City of Stirling.

11. City of Stirling proposal: Proposed boundary change with the Town of Cambridge; including the transfer of the localities of Churchlands, Wembley, Herdsman and Wembley Downs (part).

Secondary:

03/2013 Minister's Proposal: Proposed boundary amendment to the City of Bayswater to incorporate the Town of Bassendean and parts of Dianella and Inglewood from the City of Stirling, and parts of the City of Swan and City of Vincent. (For recommendation see Section 6.3)

4. Town of Cambridge proposal 1: Proposed boundary amendment to incorporate the localities of Churchlands, Glendalough, Herdsman, Wembley, Wembley Downs, and Woodlands (part) from the City of Stirling. The proposal also includes boundary amendments with the Cities of Nedlands and Subiaco. (For recommendation see Section 6.10)

6. City of Bayswater proposal: Amalgamation with the Bassendean, including Dianella (part), Inglewood, Mt Lawley, Menora from City of Stirling; part City of Swan; part City of Vincent. (For recommendation see Section 6.3)

12/2013 Minister's Proposal: Proposed amalgamation of the Town of Cambridge, Town of Claremont, Town of Cottesloe, Town of Mosman Park, Shire of Peppermint Grove, City of Nedlands and City of Subiaco and includes a boundary amendment to incorporate into the Town of Cambridge the localities Churchlands, Herdsman, Wembley, Wembley Downs and Woodlands (part) from the City of Stirling. (For recommendation see Section 6.10)

17. Town of Cambridge proposal 2: Proposed boundary amendment to incorporate the localities of Churchlands, Herdsman, Wembley, Wembley Downs, and Woodlands (part) from located from the City of Stirling. The proposal also includes incorporating most of the City of Subiaco and a boundary amendment with the City of Nedlands. (For recommendation see Section 6.10)

Table 25 - Proposals to Local Government Advisory Board affecting the City of Stirling

Proposal number	Proposal name	Population estimate	Revenue estimate
11	City of Stirling proposal	198,500	Not stated
6	City of Bayswater proposal	103,000	Not stated
4	Town of Cambridge proposal (1)	42,000	$49m
17	Town of Cambridge proposal (2)	56,500	$93m
02/2013	Minister's Proposal – City of Stirling	206,000	$220m
03/2013	Minister's Proposal – City of Bayswater and Town of Bassendean	97,000	$98m
12/2013	Minister's Proposal – Western Suburbs	106,000	Not stated

11. City of Stirling proposal

The City of Stirling proposed a boundary amendment with the Town of Cambridge, including a transfer of the localities of Churchlands, Wembley, Herdsman and Wembley Downs (part) to the proposed western suburbs local government. It does not propose to cede any territory to the City of Bayswater.

The City of Stirling understands that boundary changes are necessary to reduce the number of local governments in metropolitan Perth and states that its submission offers an alternative to the State Government's proposal that would see a reduced impact on the City of Stirling community whilst keeping in line with the key objectives of local government reform.

6. City of Bayswater proposal

The City of Bayswater proposal would create a larger City of Bayswater, by incorporating all of the Town of Bassendean, a portion of the City of Swan (parts of Noranda, Kiara and Beechboro), a portion of the City of Vincent (parts of Mount Lawley

and East Perth) and a portion of the City of Stirling (parts of Dianella, Inglewood, Mount Lawley, Menora and Yokine east of Alexander Drive). The local government would have a total area of 58 sq.km. The City of Bayswater's preferred option is 'consistent with the State's proposal (July 2013), with [a] minor boundary amendment [Kiara and Beechboro], to create improved legibility of the expanded local government'. This minor amendment would relocate the boundary to road reserve in preference to the existing situation that incorporates a mixture of road reserves and the rear of some residential lots. The use of Alexander Drive and Walcott Street as boundaries would provide boundary clarity.

4. Town of Cambridge proposal 1

The Town of Cambridge has proposed a boundary amendment to incorporate localities of Churchlands, Glendalough, Herdsman, Wembley, Wembley Downs, and Woodlands (part) from the City of Stirling. The proposal also includes a boundary amendment to incorporate parts of Shenton Park, Floreat and Swanbourne from the City of Nedlands. The proposal includes transferring a small area of Jolimont from the Town to the City of Subiaco and part of Mount Claremont to the City of Nedlands.

17. Town of Cambridge proposal 2

The Town of Cambridge submitted a subsequent proposal for a boundary amendment to incorporate the localities of Churchlands, Herdsman, Wembley, Wembley Downs and Woodlands (part) from the City of Stirling. The proposal also includes a boundary amendment to incorporate the majority of the City of Subiaco (north of Aberdare Road), and this is the key difference for this proposal. The proposal also includes a boundary amendment to incorporate part of the localities of Shenton Park, Floreat and Swanbourne from the City of Nedlands, while at the same time transferring a part of the locality of Mount Claremont from the Town to the City of Nedlands.

02/2013. Minister's Proposal

The Minister for Local Government has proposed a boundary amendment to incorporate into the City of Bayswater parts of Dianella and Inglewood currently located in the City of Stirling. The proposal also includes a boundary amendment to transfer the localities of Churchlands, Herdsman, Wembley, Wembley Downs and Woodlands (part) from the City of Stirling to the proposed western suburbs local government.

03/2013. Minister's Proposal

The Minister's proposal is for a boundary adjustment to the City of Bayswater to incorporate the Town of Bassendean, with the addition of part of Noranda from the City of Swan, the addition of parts of Dianella and Inglewood from the City of Stirling, and the addition of a portion of the localities of Mount Lawley and East Perth from the City of Vincent. Specific boundaries include: North: Tonkin Highway and Morley Drive; West: Alexander Drive, Homer St, Walter Road, Central Avenue; South: Summers St (East Perth); East: Swan River. The City of Bayswater is proposed as the continuing local government; the proposed new entity includes the strategic activity centre of Morley.

12/2013. Minister's Proposal

The Minister for Local Government has proposed an amalgamation of the Towns of Cambridge, Claremont, Cottesloe, and Mosman Park, Shire of Peppermint Grove, and Cities of Nedlands and Subiaco. The proposal includes a boundary amendment to incorporate into the Town of Cambridge the localities of Churchlands, Herdsman, Wembley, Wembley Downs and Woodlands (part) all of which are currently located in the City of Stirling. The proposal also includes a boundary amendment to incorporate into the City of Perth the land on which the University of Western Australia, the Queen Elizabeth II Medical Centre and the Hollywood Private Hospital are located, currently located in the City of Subiaco and City of Nedlands.

Common elements and points of difference of the proposals

The City of Stirling retains the most of its current area under the Stirling proposal, only proposing to cede Churchlands, Herdsman, Wembley and Wembley Downs (part). There is some similarity between the Cambridge proposals, and the Minister's proposals, which propose transferring Wembley Downs and Woodlands (part) from Stirling to Cambridge. While the Minister's proposal (3/2013) and the Bayswater proposal affects Dianella, Inglewood and/or Mount Lawley, the City of Stirling proposal is to retain these areas.

Current Situation

Table 26 – Vital statistics for the Cities of Stirling and Bayswater and Town of Cambridge

Vital statistics	Stirling	Bayswater	Cambridge
Area (land) (sq km)	104.7	32.7	22
Population (2013)	223,317	69,493	27,997
Average annual growth 2007/2012	2.7%	2.6%	1.4%
Population density (per sq.km.)	2,066	2,054	1,239
Dwellings	77,319	28,878	11,026
Value of building activity *$m	N/A	N/A	$189.9m
Length of sealed roads (km)	1,014	380	194
No. Employees	982	296.4	167.8
Residents per employee	220.3	182.2	162.4
Total rate revenue ($)*	$115,317,514	$34,549,121	$20,879,900
Total operating revenue ($)*	$197,841,367	$67,777,390	$68,216,500
Total operating expenditure ($)*	$194,888,817	$67,347,639	$39,706,200
Total rate revenue per capita ($)	$533	$513	$766
Total operating revenue per capita ($)	$915	$1,007	$2,504
Total operating expenditure per capita ($)	$901	$1,000	$1,457
Average residential rate per assessment 2012/13* ($)	$974	$936	$1,321

Source: various, including ABS and information returns to WA Local Government Grants Commission
*Based on 2013-14 annual budget

Local government boundary changes in the Stirling area

The City of Stirling has its origins in the Perth Roads Board (formed 1871), becoming the Shire of Perth in 1961 and renamed the City of Stirling in 1971. The Perth Road District was one of the of the four original road districts established in the Perth area in 1871, responsible at first for over 250 square miles of territory. Various portions were excised over the years to create new districts for Bayswater, Nedlands and Wanneroo. More recently, the Maylands locality was transferred to Bayswater in 1998.

The City of Stirling has previously considered the possibility of dividing itself into two separate units of local government. A *Draft Report on Division and Representation* was considered by the Council in 1980, but the issue lapsed until revisited by the Board in 1996. In 1993 the Maylands Ratepayers and Residents Association petitioned to have Maylands transferred from the City of Stirling to the City of Bayswater, and this was implemented in 1998. The City of Bayswater submission states that Maylands was successfully integrated into the city.

Proposals previously considered by the Local Government Advisory Board

The Board has considered previous proposals for boundary adjustments affecting the City of Stirling:

- Options for Stirling and Wanneroo (1996) [proposed splitting the City]
- Proposal to transfer Maylands from the City of Stirling to City of Bayswater (1997)
- Proposal to transfer the locality of Joondanna from the City of Stirling to the Town of Vincent (1997)
- Proposal to amend the boundary between the City of Stirling and the Town of Cambridge (1997)
- Proposals for amendments to the boundary of the Town of Vincent (2005-6)

Of the above, only the changes between Stirling and Bayswater (1998) affecting Maylands and between Stirling and Vincent (in 2007) affecting Glendalough were progressed; some proposals were not supported by the Board.

Regional cooperation and resource sharing

The City of Stirling cooperates with other local governments as a member of the Metropolitan Regional Road Group (28 other members). Stirling and Bayswater LEMCs are represented on the West Metropolitan District Emergency Management Committee, and are both signatories to the Metropolitan North and East Recovery Group Partnering Agreement on mutual aid in emergency response. Stirling is a member of a different WALGA zone (North) to Cambridge (Central) and Bayswater (East). The City of Stirling and Town of Cambridge are both members of the Mindarie (waste management) and Tamala Park Regional Councils (land development).

Demographic Characteristics and Trends

The City of Stirling accounts for more than 10% of the metropolitan population. Significant further population growth is expected in the City, albeit at a lower rate than for metropolitan Perth as a whole. Based on Western Australian Planning Commission

(WAPC) projections, further population growth of 15% is expected through to 2031.In time, a significant new residential population will be accommodated within the Stirling activity centre precinct. Ongoing transit oriented development at Stirling is expected to yield 7600 dwellings.

The City's population is reduced under both the Minister's and the City's proposal, but based on the projections prepared for the Board it would grow to 200,000 by 2023 and be back at 2013 levels by 2040 for the Minister's proposal, and be back at 2013 levels by 2023 under the Stirling proposal.

Table 27 - Local government populations 2006 to 2026

Local Government	Estimated Population*	Projected Population*					
	2011	2016	% growth from 2011	2021	% growth from 2011	2026	% growth from 2011
Stirling	205,200	217,300	5.9%	226,500	10.4%	236,200	15.1%
Bayswater	62,300	64,500	3.5%	66,100	6.1%	67,600	8.5%
Cambridge	27,600	28,900	4.7%	30,000	8.7%	31,000	12.3%
Stirling proposal	212,990	217,100	1.9%	224,916	5.6%	233,360	9.6%
Minister's proposal 2	No data	191,199	No data	198,082	3.6%	205,520	7.5%
Metro Perth	1,752,500	1,939,500	10.7%	2,105,700	20.2%	2,276,900	29.9%

*Source: Western Australian Planning Commission (2012) WA Tomorrow (Band C projections). Geografia for proposals. http://www.planning.wa.gov.au/dop_pub_pdf/PlanningSummary.pdf [58]

The Board considered detailed demographic information in respect of the proposals, drawing on the analysis it commissioned by Geografia.[1] The population demographics for Stirling are broadly similar to the metropolitan average, with points of difference including slightly lower household incomes and higher density housing. Typical of older inner city suburbs, there is higher representation of seniors, and a slight under representation of children and youth compared to the metropolitan area as a whole. Age structure impacts on the level of demand for age based services and facilities such as child care. In their submission, the City of Stirling argues that "local governments will need the financial capacity, resources and expertise to play their part in dealing with the needs of an ageing population and providing services to integrate new migrant communities into the Australian way of life. Reducing the City's size will reduce its ability to cope with these pressures."

[58] Metropolitan Local Government Reform Demographic Analysis, Geografia 2014

Table 28 - Stirling localities affected by proposals

Locality	Pop. (2011 Census)	Current City of Stirling	City of Stirling proposal 11	Minister's Proposal 2/2013	City of Bayswater proposal 6	Town of Cambridge 1 proposal 4	Town of Cambridge 1 proposal 17
Balcatta	10,175	Yes	Yes	Yes	No	No	No
Balga	10,380	Yes	Yes	Yes	No	No	No
Carine	6,787	Yes	Yes	Yes	No	No	No
Churchlands	5,296	Yes	No	No	No	Yes	Yes
Coolbinia	4,804	Yes	Yes	Yes	No	No	No
Dianella	23,433	Yes	Yes	Part	Part	No	No
Doubleview	8,100	Yes	Yes	Yes	No	No	No
Glendalough	2,204	Yes	Yes	Yes	No	Yes	No
Gwelup	4,058	Yes	Yes	Yes	No	No	No
Hamersley	5,222	Yes	Yes	Yes	No	No	No
Herdsman	(included in Churchlands)	Yes	No	No	No	Yes	Yes
Inglewood	5,536	Yes	Yes	Part	Part	No	No
Innaloo	7,286	Yes	Yes	Yes	No	No	No
Joondanna	4,802	Yes	Yes	Yes	No	No	No
Karrinyup	8,996	Yes	Yes	Yes	No	No	No
Menora	2,675	Yes	Yes	Yes	Part	No	No

Locality	Pop. (2011 Census)	Current City of Stirling	City of Stirling proposal 11	Minister's Proposal 2/2013	City of Bayswater proposal 6	Town of Cambridge 1 proposal 4	Town of Cambridge 1 proposal 17
Mirrabooka	7,952	Yes	Yes	Yes	No	No	No
Mount Lawley	6,923	Yes	Yes	Yes	Part	No	No
Nollamara	9,322	Yes	Yes	Yes	No	No	No
North Beach	4,355	Yes	Yes	Yes	No	No	No
Osborne Park	3,823	Yes	Yes	Yes	No	No	No
Scarborough	14,125	Yes	Yes	Yes	No	No	No
Stirling	9,415	Yes	Yes	Yes	No	No	No
Trigg	2,969	Yes	Yes	Yes	No	No	No
Tuart Hill	6,229	Yes	Yes	Yes	No	No	No
Watermans Bay	(included in North Beach)	Yes	Yes	Yes	No	No	No
Wembley	(included in Churchlands)	Part	No	No	No	Yes	Yes
Wembley Downs	6,057	Yes	Part	No	No	Yes	Yes
West-Minister	5,198	Yes	Yes	Yes	No	No	No
Woodlands	4,102	Yes	Yes	Part	No	Part	Part
Yokine	10,577	Yes	Yes	Yes	Part	No	No

The level of socio-economic disadvantage in the City of Stirling as a whole is comparable to metropolitan levels, whereas adjacent areas of Cambridge are likely to be less disadvantaged and adjacent areas of Bayswater tend to be more disadvantaged. The suburbs proposed to be added to Cambridge, such as Churchlands, are more similar in a socio-economic sense to the adjacent suburbs in Cambridge (e.g. Floreat, Wembley), than to adjacent suburbs in Stirling. In the same way, Dianella is similar to the adjacent suburbs in Bayswater, whereas both Inglewood and Mount Lawley tend towards lower levels of disadvantage.[59]

Service Population

There is benefit in considering service population in addition to resident population. Stirling is the second largest employment area in the Perth metropolitan region, with 70,000 workers employed, second only to the Perth CBD. While Stirling is a considerably larger area geographically, and the workforce locations are well dispersed, the 2011 journey to work data shows about 42,000 workers come into Stirling for employment from other parts of the metro area. Other service users are attracted into the district for the retail centres (such as Innaloo and Karrinyup which attract clients from areas to the south), Edith Cowan University and beaches.

Community of interest

The Board has previously expressed the view that the external boundaries of a local government should reflect distinct communities of interest wherever possible. The following observations about communities of interest in the Stirling and adjacent local government areas were noted.

Journey to work: According to the 2011 Census, there were 95,928 workers residing in the City of Stirling and there were 69,656 workers employed in the City of Stirling. This yields a potential self-containment rate of 72.6%. The largest destination for Stirling workers, other than the broader city area itself, is the Perth CBD (20,855). The Osborne Park Industrial area is the third largest employment destination in the Perth metropolitan area. There are similarities in the employment locations of residents in the affected suburbs. For example, Morley is an important work destination for Dianella residents, but less so for Mount Lawley and Inglewood residents. Subiaco and Nedlands are important employment destinations for Wembley Downs residents.

Educational Facilities: The boundaries of the Stirling area contain more than 50 primary schools, including several Catholic primary schools, six government high schools

[59] Index of Relative Socio-Economic Disadvantage, Australian Bureau of Statistics 2011 Census

(Balcatta, Balga, Carine, Churchlands, Mirrabooka, Mount Lawley) and Tuart College for senior education and at least 10 private schools and colleges (such as St Mary's, Hale, Newman). The primary schools draw students from local neighbourhood areas and private colleges tend to draw students from across a wider area than the local high schools.

The local intake area of Mount Lawley High School includes parts of the City of Stirling, both east and west of Alexander Drive, but also includes parts of adjacent Bayswater, Vincent and Perth. Parts of the affected area of Stirling are also within the catchment areas of John Forrest Secondary College (Alexander Drive in Dianella is the boundary) and Morley Senior High School, both located within the City of Bayswater.

The Churchlands, Glendalough, Herdsman, Wembley, Wembley Downs, Woodlands area affected by the boundary proposals includes the following schools: Churchlands Senior High, Churchlands Primary, Newman College, Newman College Junior School, Wembley Downs Primary, Newman College Doubleview Campus and Hale School. Woodlands contains two primary schools. All of the above schools are within the affected areas sought by the Town of Cambridge. Most of the affected area falls in the local intake area of Churchlands Senior High School, with the Glendalough area having the option of Mount Lawley or Churchlands Senior High Schools. The local intake area for Churchlands Senior High School also includes a significant portion of the Town of Cambridge.

A campus of Edith Cowan University (ECU), incorporating the WA Academy of Performing Arts, is located in Mount Lawley with approximately 6000 enrolled students at the campus. Future development on the ECU Mount Lawley campus has important implications for the future planning of the locality. Polytechnic West has a campus in Balga.

Newspaper circulation: Complimentary suburban papers circulating in the area affected include the Stirling Times [west of Wanneroo Road], Eastern Reporter [Bassendean, Bayswater, north-east portion of Stirling] and the Guardian Express [Perth, Vincent, south-east portion of Stirling]. The Cambridge Post also circulates into Churchlands, Wembley Downs and an area of Woodlands which corresponds with the proposed new local government boundary.

State Electoral Districts: The City of Stirling is covered by the ten State Legislative Assembly seats. The seats of Balcatta and Scarborough are wholly within the City. The other seats overlap into adjacent local government areas including the following: Churchlands (parts of Cambridge), Maylands (parts of Bayswater), Morley (parts of Bayswater and Swan), Mount Lawley (small portion in Bayswater and Vincent) and

Perth (mainly Perth and Vincent with a small portion of Stirling). The electorates are dispersed across the North and East Metropolitan Region for Legislative Council elections.

Commonwealth Electoral Divisions: The Federal division of Stirling encompasses more than 70% of the current City and bears a close resemblance to the Minister's proposal (2/2013) for Stirling. The City is also partially in the divisions of Perth and Curtin. Alexander Drive is the boundary between the Stirling and Perth divisions. Scarborough Beach Road / Green Street is the boundary between the Stirling and Curtin divisions. The south western portion of Stirling proposed to be transferred to the western suburbs council has the division of Curtin in common. Similarly, the eastern portion of Stirling proposed to be transferred to Bayswater has the division of Perth in common, as well as the specific boundary of Alexander Drive.

Public transport: The strategic activity centre of Stirling is connected to the metropolitan passenger rail network, and is serviced by multiple bus routes and a bus interchange (15 routes). The Perth to Joondalup railway line runs down the middle of the City, with stations at Glendalough and Stirling, with Warwick station serving the northern suburbs of Stirling. Mount Lawley station, on the Perth Midland line, is on the south eastern boundary of the City. The broader Mt Lawley local area is serviced by numerous bus services that radiate from the Perth Central Business District to northern suburbs such as Mirrabooka and Morley. These generally run in a north-south direction along Beaufort Street and Alexander Drive. The broader Wembley Downs local area is served by limited bus services. Glendalough Station is located to the east of the area, with several bus services connecting train services to the Stirling City Centre, Scarborough Beach and various other locations in the area.[60]

Another consideration is the proposed new light rail network Metro Area Express, or MAX. The proposed network would service key educational, shopping, health and leisure destinations and the proposed route runs through Stirling, extending from Mirrabooka in the north through to the Perth CBD before splitting into branches to the QEII Medical Centre and to Victoria Park. Much of the proposed route follows Alexander Drive, which is the proposed boundary of the enlarged City of Bayswater. A MAX stop is proposed at the Dianella Shopping Centre.

[60] City of Stirling: Wembley Downs - Churchlands - Woodlands - Herdsman - Wembley Local Area Plan March 2013 p32,36

Community of interest: summary and comment

The City of Stirling submitted that the proposal by the Minister to move the City's southwest boundary would result in the division of a number of strong, coherent communities of interest around community focal points such as Jackadder Lake, Woodlands Shopping Centre, Dianella Plaza and recreation facilities such as the Terry Tyzack Aquatic Centre. Residents in the broader Wembley Downs local area also frequent Floreat Forum, which is located within the Town of Cambridge. The City argued for the community of interest between Inglewood and Mount Lawley, but it is noted that the City's own ward boundaries separate these two areas. In these localities, Morley Galleria and Perth City were the most popular destinations for higher order goods shopping.[61] Similarly, while the majority of Dianella households do their grocery shopping within the local area, around 60% of residents do their non-essential shopping (clothes, goods etc.) in Morley.[62] Clearly, the Galleria shopping centre, the centrepiece of the Morley Strategic Activity centre, draws shoppers from a much larger area than just the City of Bayswater including the broader Dianella and Inglewood local areas.

The following points are relevant:

- Dianella and Inglewood have strong connections with Morley, including use of the shopping centre, as a place of work, bus routes, high school catchments and electorates.
- The Federal electoral division of Stirling uses Alexander Drive as a boundary.
- Churchlands – Wembley Downs have connections with areas in the Town of Cambridge, including the catchment area of Churchlands High School, the electorate of Curtin, bus connections, use of the Floreat shopping centre etc.

While of themselves these observations do not provide a compelling argument for the proposed boundary changes, they indicate that there are no compelling points of difference between the various localities affected by the proposed changes to suggest that they should not happen.

The 'vision' and strategic plans of the councils can be pointers to common interests. The Board notes that common values can give rise to community of interest. The City of Stirling places a strong emphasis on sense of community, both in its Strategic Community Plan 2013–2023 and in its submission to the Board. Bayswater also puts emphasis on a resilient community with a strong sense of purpose and ability to celebrate diversity. Based on a review of the council's strategic plans it is reasonable to

[61] City of Stirling: Coolbinia-Inglewood-Menora-Mt Lawley Local Area Plan June 2010
[62] City of Stirling: Dianella Local Area Plan February 2007 p65.

assume that the community identities of the broader Wembley Downs local area and the broader Mt Lawley local area could be accommodated within the strategic planning of the neighbouring authorities.

Economic Considerations

The economic activity in the Stirling area is diverse, ranging from service industries including retail, hospitality and other professional services, to extensive light industry. The area contains the strategic metropolitan centre of Stirling, and a comprehensive aggregation of secondary centres, district centres, and metropolitan attractors. The Stirling City Centre is expected to increase in significance as a major commercial and employment node. The City of Stirling places a high importance on encouraging and facilitating economic development in the region. The urban renewal of Scarborough by the MRA, in collaboration with the City of Stirling is a major current project. While the areas proposed to be transferred out of the City of Stirling are predominantly residential, with the notable exceptions of the Dianella and Mount Lawley district level centres, there is a similar aspiration among the Bayswater and Cambridge strategic plans for vibrant commercial centres.

Public Infrastructure

Significant public and private infrastructure is already present in the Stirling area. It includes the roads and rail network, health and education establishments, and recreation facilities. The proposed boundary amendments have some major implications for management of local government infrastructure, although any change in local government arrangements in the region is unlikely to negatively affect the operation of this infrastructure, and the amenity enjoyed by residents.

Local government infrastructure in the portion of the City of Stirling area proposed to be transferred under the City of Bayswater proposal includes the Dianella Library and Community Centre, Inglewood Library and Civic Centre, and Terry Tyzack Aquatic Centre (Inglewood) as well as several major recreation grounds. Local government infrastructure in the portion of the City of Stirling area proposed to be transferred under the Town of Cambridge proposal mainly includes local parks and reserves, and the City run Wembley Downs Kindergarten. “There are no dedicated recreational facilities such as recreation centres within the Local Area. The Scarborough Community and Scarborough Recreation Centre(s) are located north of the Local Area and serve those

within the Wembley Downs Local Area. Residents may also use facilities to the South, within the Town of Cambridge or the City of Vincent." [63]

Environmental Context

The environmental context can be summarised as being part of the Swan coastal sand plain, with areas of remnant bushland and wetland, including Star, Careniup and Carine swamps and Gwelup, Jackadder and Herdsman lakes. Significant areas of bushland can be found at Breckler Park, Cottonwood Crescent (both Dianella), Lake Gwelup Reserve, Mirrabooka Regional Bushland, Trigg Bushland Reserve and Memory Place (adjacent to Churchlands Senior High). Only the latter area, and Herdsman Lake would potentially be transferred to a different local government.

The City of Stirling is currently developing a Local Biodiversity Strategy. It has a Greenplan, a strategy for the conservation of urban bushlands and a Climate Change Adaptation Plan. Local area plans address the environmental profile of each area. The City of Bayswater has developed a Biodiversity Strategy (with the Town of Bassendean and City of Belmont) and is also developing a Local Environmental Strategy. The City of Bayswater has also progressed through the Cities for Climate Protection Campaign. The Town of Cambridge has a Biodiversity Action Plan, a Coastal Natural Areas Management Plan and Water Conservation Plan. Given the strategic planning goals of the local governments related to the environment, and existing efforts to manage and protect the environment, any changes in local government boundaries are not expected to affect local environments.

Heritage is a significant consideration, particularly for the parts of Mount Lawley and Inglewood proposed to be transferred out of the City of Stirling. Inglewood, Mt Lawley and Menora are currently classified as Heritage Protection Areas within the City of Stirling to ensure heritage character is retained, protected and reflected in any new development. The Board notes that the City of Bayswater's Strategic Community Plan 2013-23, Local Housing Strategy 2012, and Town Planning Scheme No. 24 all provide for the conservation and restoration of heritage places. The Board also notes that the City of Bayswater was listed as a finalist in the 2014 Western Australian Heritage Awards in recognition of its committed and proactive approach to the protection and enhancement of its local heritage.

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[63] [63] City of Stirling: Wembley Downs - Churchlands - Woodlands - Herdsman - Wembley Local Area Plan March 2013 p14

Local Government

Stirling, Bayswater and Cambridge have largely completed the statutory requirements under the integrated planning framework. Excerpts from the respective strategic community plans show commonalities around diverse and thriving local neighbourhoods and businesses.

The City of Stirling, with approximately 1000 employees, submitted that it 'offers over 210 services to its community including recreation centres, libraries, home and community care, waste, security and events, arguably more than any other Western Australian Local Government. The City has a proven track record of providing high-quality customer service to its ratepayers, receiving a 91% customer satisfaction rating for 2012.' For example, the City of Stirling Family Services team provides a range of support services to promote the wellbeing of children, young people and parents, in order to build stronger families and communities. A range of services are provided through this program including Meals on Wheels, Domestic Assistance, Community Transport and Social Support. The provision of these facilities assists in promoting ageing in place and the retention of independence for retirees who wish to remain in their family home. Adjacent Bayswater and Cambridge also coordinate extensive Home and Community Care Programs including Meals on Wheels.

Each local government has the required local planning strategies and town planning schemes to guide and control development in their respective areas. Directions 2031 has a target of about 31,000 new dwellings in the Stirling area by 2031. The City of Stirling Local Housing Strategy (2010) sets out the City's vision and objectives for the provision of housing and the built form over the next five years and beyond. The City has utilised a local area planning approach to identify specific areas suitable for urban consolidation and to achieve the continued availability of housing choice within the district. Local area planning concentrates on planning for a defined area, allowing a comprehensive range of issues to be considered and addressed through integrated planning strategies. The Churchlands-Wembley Downs-Woodlands-Herdsman-Wembley Local Area Plan was adopted by Council in February 2013. The Dianella (2007) and Coolbinia, Inglewood, Mount Lawley and Menora Local Area Plans (June 2010) have also been developed.

The effective delivery of local government services

The issue of whether the proposed transfer of suburbs out of the City would affect the effective delivery of local government services in the City of Stirling was a key consideration for the Board. The Board noted that there are a number of major

community facilities developed by the City of Stirling which are in the areas proposed to be transferred to Bayswater, including:

- Libraries at Dianella and Inglewood
- Aquatic Centre at Inglewood
- Community centres at Inglewood and Dianella (2)
- Parks and Ovals (e.g. Hamer Park, Inglewood oval and Dianella Open Space)

The City of Stirling submission acknowledged that 'It is unlikely that the membership demographic for these centres will change under any proposed local government reform. People would continue to utilise the same excellent facilities they currently enjoy.' Some City facilities would be located on the boundary resulting in 'a cost for City of Stirling ratepayers for a service extended to a significant part of the community in another local government which is not effective use of local government funds.' The same would apply in reverse for the Inglewood aquatic centre, in that the Bayswater council would take on the responsibility for costs whereas Stirling residents would continue to constitute a major proportion of users.

The Board believes that the effective delivery of local government services would not be materially affected by the proposed boundary changes, as the adjoining local governments would have the capacity and resources to maintain these facilities and deliver services at a comparable standard to those currently provided.

Local Government Finance

With a diverse rate base that includes extensive and diverse commercial, retail, industrial and residential properties, the City of Stirling is the largest local government in the metropolitan area in terms of population and revenue. The City of Stirling has a significant revenue base, with a rate revenue of $115.3 million (2013/14 budget) and estimated total revenue of $197.8 million (2013/14). The financial assistance grants (2012/13 entitlement), at $6.6 million, account for only 3.3% of the local government's current revenue, and a boundary change would have a small but proportionate effect only on the total financial assistance grant entitlements. Given current rating levels, the areas proposed to be ceded to Bayswater may have slightly increased rates. Rates may also increase in the portion to be ceded to Cambridge, however this is difficult to ascertain given the broader reforms proposed (see Tables 29-33).

Table 29 - Local government financial data for Stirling, Bayswater and Cambridge

Financial data	Stirling	Bayswater	Cambridge
Total rate revenue ($)*	$115,317,514	$34,549,121	$20,879,900
Total operating revenue ($)*	$197,841,367	$67,777,390	$68,216,500
Total operating expenditure ($)*	$194,888,817	$67,347,639	$39,706,200
Total rate revenue per capita ($)	$533	$513	$766
Total operating revenue per capita ($)	$915	$1,007	$2504
Total operating expenditure per capita ($)	$901	$1,000	$1,457
Property, plant and equipment per capita ($)	$731	$1,513	$3,901
Infrastructure per capita ($)	$3,163	$2,827	$2,207
Average residential rate per assessment 2012/13* ($)	$973	$946	$1,304
Rates as % of operating revenue	58.3%	50.97%	30.6%
Residential rates as % of total rates	77.8%	78.8%	88.2%
Commercial rates as % of total rates	22.2%	21.2%	10.8%
Employee Costs	$89,791,819	$28,000,517	$16,775,300

*Based on 2013-14 annual budget

Table 30 - Rate in the dollar GRV (2013/2014 budget)

Council	Minimum Rate (Residential) (2013/14)	Residential Improved GRV Rate/$	Commercial Improved GRV Rate/$	Industrial Improved GRV Rate/$	Vacant Land GRV Rate/$	Total rate income 2013/14	Waste fee
Stirling	$763	0.05277	0.05277	0.05277	0.05277	$115,317,514	$278
Bayswater	$739	0.05831	0.05831	0.05831	0.05831	$34,549,121	$285
Cambridge	$883	0.071985	0.071985	0.071985	0.07198	$20,879,900	$500

With the assistance of the affected local governments information has been compiled for the Board in respect of the areas affected by these proposals (Table 30-32).

Table 31 - Key financial information for the Minister's Proposal 02/2013 – City of Stirling

Minister Proposal 02/2013 - City of Stirling	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Stirling	$192,330,209	$175,926,110	$110,057,433	$18,635,683	$9,661,456
less: Stirling - Dianella & Inglewood	$12,414,088	$9,054,491	$8,210,705	$653,305	$0
less: Stirling - Churchlands, Herdsman, Wembley Downs & Woodlands	$9,459,841	$4,677,228	$6,966,095	$217,819	$9,749
TOTAL	$170,456,280	$162,194,391	$94,880,633	$17,764,559	$9,651,707

Table 32 - Key financial information for the City of Stirling's Proposal 11

Proposal 11 - City of Stirling	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Stirling	$192,330,209	$175,926,110	$110,057,433	$18,635,683	$9,661,456
less: Stirling - Churchlands & Wembley Downs	$6,766,625	$3,345,621	$4,982,848	$155,806	$0
TOTAL	$185,563,584	$172,580,489	$105,074,585	$18,479,877	$9,661,456

Table 33 - Comparative summary for Stirling proposals

City of Stirling under	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Minister proposal 02/2013	$170,456,280	$162,194,391	$94,880,633	$17,764,559	$9,651,707
Stirling proposal 11	$185,563,584	$172,580,489	$105,074,585	$18,479,877	$9,661,456
Difference	$15,107,305	$10,386,098	$10,193,952	$715,318	$9,749

Based on this information, the modified City of Stirling would have the largest revenue under the Stirling proposal; and least under the Minister's proposal. The Stirling proposal results in a loss of current revenue of only 3.5%; the Minister's proposal is more significant at 11.4%.

Financial health checks

The Department of Local Government's 2009 Local Government Reform Steering Committee report rated Stirling, Bayswater and Cambridge as Category 1. The independent expert analysis of the financial position of the local governments conducted for the Metropolitan Local Government Review Panel included a five-year analysis of sustainability measures. Stirling was rated as sustainable; Bayswater marginal and Cambridge as vulnerable. A financial health check (based on the 2012-13 annual financial statements) undertaken by the Department of Local Government and Communities has rated the assessed position of Stirling, Bayswater and Cambridge as Strong.

Financial Sustainability Analysis

The Western Australian Treasury Corporation (WATC) was commissioned to undertake a comparative analysis of the financial sustainability of existing and proposed metropolitan local governments. The financial analysis by WATC was based on the seven (7) financial ratios on which local governments are required to report, considering the past four financial years using the annual financial statements, and the forward looking next four years based on the financial plans, with seven years of data (2010-2017) to derive a Financial Sustainability Score as follows:

Table 34 - Financial Sustainability Scores (FSS)

FSS for current and proposed authorities	2010-2013	2010-2017
Existing City of Stirling	93	92
Minister Proposal 02/2013	89	89
Stirling Proposal 11	92	91

The FSS for all current metropolitan local governments and the proposed restructured local governments are included in Section 4 of the Appendices.

Table 35 - 2012/2013 Financial Ratios

Local Government	Current Ratio	Debt Service Coverage	Own Source Revenue	Operating Surplus	Asset Consumption	Asset Sustainability	Asset Renewal
Bayswater	2.05	650.25	1.16	0.54	0.59	0.99	0.62
Cambridge	1.64	23.38	1.15	0.20	0.60	1.31	0.97
Stirling	2.98	147905.6	1.02	0.11	0.62	1.48	0.71

The FSS for the Minister's Proposal 02/2013 is only marginally different from the existing City of Stirling. The new entity would be a well-balanced local government in all areas except for asset renewal funding which is below benchmark and shows as the only area of noticeable weakness, but the WATC advise that this is not a serious impediment to considering this proposal given the strength of all other ratios and projected financial performance. With a reduction in size (15%), the City of Stirling would probably need to review its Long Term Financial Plan to determine priorities including whether or not funding for major projects can still be achieved. However, given ongoing growth across the City's diverse rate base that includes extensive and diverse commercial, retail, industrial and residential properties, the City of Stirling would still potentially be the largest local government in the metropolitan area, and would recover the lost population and revenue in the medium term.

Submissions to the Local Government Advisory Board

Submissions were provided to the Board during the advertised public submission periods by local governments, industry groups, local businesses and affected ratepayers. A summary of these submissions is detailed below. Note the following summaries are the position put forward by those making the submission.

Local government submissions:

City of Stirling

Despite lodging a proposal for amended boundaries with the Board, the City of Stirling's submission calls on the Board to reject any proposals to reduce the city's size. However, the City remains open minded to options that would see the City increase in size. The City's submission to the Board was a detailed rejection of the Minister's Proposal 02/2013, but ignores the City's own proposal to the Board. Key reasons for not supporting the Minister's proposal included:

- A reduction in the effective delivery of local government services to the Stirling community.
- A number of significant 'communities of interest' would be marginalised.
- The viability of the City of Stirling would be significantly reduced.
- The economic impact on ratepayers moving to the newly created local governments would be significant, with existing neighbouring local governments currently setting much higher rates.
- The suburbs of Inglewood and Mount Lawley are linked historically through their strong heritage areas and shared community of interest.

"The City of Stirling currently enjoys economies of scale to consistently deliver a high level and range of services offering excellent value for money. The current proposal by the Minister would see a 15% reduction in the number of residents of the City of Stirling and an estimated loss of $30 million per annum in income. If realised this could result in higher rates and reduced services for the City of Stirling community, which is clearly not in their best interests."

City of Bayswater

The City of Bayswater supports the amalgamation with Bassendean because of its belief that the new local government created will be sustainable, responsive, and

able to celebrate the character, identity, sense of belonging and heritage of all of the communities involved.

The City notes:

- Mount Lawley, Inglewood, Menora and Dianella have close ties to the suburbs of Maylands, Bedford, Bayswater and Morley having been settled in a similar era.
- Preservation of history, character and local identity.
- Beaufort Street identified as key corridor which would benefit from uniform management by one local authority.
- Close proximity to the Morley City Centre which also caters for the commercial needs of these areas.

Consequently the City suggests that 'by not including Mount Lawley, Inglewood, and Menora there will be a fracturing of communities of interest and would not be in accordance with WAPC's *Directions 2031 and Beyond* as this would provide inconsistent catchments.'

The City also referenced the experience with the transfer of Maylands in 1998, whereby residents retained access to all of the facilities they previously enjoyed, such as the local library and recreation facilities; gained access to enhanced services, such as the City's three bin system; benefited from programs to preserve the area's heritage and character; benefited from substantial investment in upgrading and providing new community facilities, including The RISE, a $21 million community hub and a $400,000 enhancement of the Maylands Waterland; and enjoyed protection of the area's identity and character through the introduction of planning guidelines and an urban design framework.

Town of Cambridge

The Town of Cambridge submission contended that communities of interest are the very essence of local government and its most important element, coming from:

- Geographic proximity
- Similar or same periods of development
- Similar or same subdivision patterns
- Similar or same housing types
- Similar demographics

- Using the same commercial centres
- Sharing the same municipal facilities
- Example of Cambridge Post newspaper circulating into the proposed area.

The Town of Cambridge put some emphasis on fairness and equity, contending that users should pay rates to the council providing the facilities. Information was provided to show that Stirling residents (such as those in Churchlands and Wembley Downs) benefit from Cambridge facilities. For example, 32.8% of users of the Bold Park Pool come from adjacent areas of Stirling.

Other submissions

The Mount Lawley Society lodged a submission against any change in Stirling's boundaries for Menora, Mount Lawley, Inglewood (and Dianella), arguing that heritage protection would significantly diminish if the area were transferred to the City of Bayswater and Bayswater's current heritage protection system were to be applied.

Of 132 public submissions in support of the Minister's proposal (02/2013) (Table 10), almost 60 per cent were from residents in localities in the south of the current Stirling district, such as Wembley Downs and Woodlands. Around 40 per cent were from residents in localities to the east, primarily Dianella and Inglewood. In both cases the residents generally approved the prospect of being incorporated into a local government other than the City of Stirling. The primary reason cited was a perception that Stirling was too large to provide responsive services to such a diverse district. The perception that Stirling was already too large was also the principal argument in 8 submissions against the City of Stirling's proposal (11).

Just over 80 per cent of 372 submissions against the Minister's proposal (02/2013) were from the same areas as the 132 submissions in support (around 40 per cent in the southern localities and 40 per cent in the eastern localities). These submissions primarily opposed the Minister's recommendations on the basis of questioning the need for any change at all.

The City of Stirling also distributed three template submission forms within its district, opposing the loss of areas in Dianella, Inglewood and the localities bordering Cambridge (Churchlands, Wembley, Wembley Downs and Woodlands), as a result of the Minister's proposal (02/2013). These were returned by 1404 (opposing the loss of Dianella), 535 (opposing the loss of Inglewood) and 1085 respondents (opposing the loss of localities to Cambridge) respectively.

Table 36 - Submissions lodged on proposals

Origin of submissions	Number of submissions			
	Proposal 02/2013		**Proposal 11**	
	For	Against	For	Against
Local governments	0	3	1	3
Stakeholders	2	6	1	2
Individuals	132	372	0	8
Totals	**134**	**381**	**2**	**13**

Table 37 - Petitions lodged on proposals

Creator of petition	Number of signatures			
	Proposal 02/2013		**Proposal 11**	
	For	Against	For	Against
Monica Podesta and Barbara White (for residents of Dianella)	0	340	0	0
Totals	0	**340**	0	0

Table 38 - Summary information for current City of Stirling and Proposals 11 and 02/2013

Summary information	Stirling	Stirling Proposal 11	Minister's Proposal 02/2013
Population 2013	223,317	212,990	187,579
% variation from 100,000 in 2013	+123%	+113%	+187%
Population 2026	249,720	233,360	205,520
Population 2050	284,390	263,976	232,482
Strategic centres (Strategic – bold)	**Stirling** Karrinyup (sec) Mirrabooka (sec)	**Stirling** Karrinyup (sec) Mirrabooka (sec)	**Stirling** Karrinyup (sec) Mirrabooka (sec)

Summary information	Stirling	Stirling Proposal 11	Minister's Proposal 02/2013
Future industrial sites	None	None	None
Additional dwelling potential (D2031)	46,000	No data	No data
Local employment %	72.6%	No data	No data
Total Employees	1014	No data	No data
Total Expenditure	$194,888,817	No data	No data
Total Rates	$115,317,514	No data	No data
Average residential GRV	$21,587	No data	No data
Average residential rate	$973	No data	No data
GRV rate in $	0.05277	No data	No data
Rates as % of revenue	58.3%	No data	No data
Residential rates %	77.8%	No data	No data
Commercial rates %	22.2%	No data	No data
DLGC Financial health check	Strong	No data	No data
Operating Surplus	0.102	0.09	0.06
Current ratio 2013	2.98	3.02	3.13
WATC Ratio Profile	no data	strong	well balanced
WATC Financial Sustainability Score (2010-2013)	93	92	89
WATC Financial Sustainability Score (2010-2017)	92	91	89

Assessment of the Minister's Proposal 02/2013

against Local Government Advisory Board criteria

Proposal 02/2013 was assessed and rejected by the Board.

From the Minister's proposal 02/2013:

"*The proposal, if implemented, would better align localities with communities* of *interest links to proposed adjacent districts. The City of Stirling is financially strong and sustainable with a significant revenue base. It has no debt and considerable reserves. It is expected that the proposed changes will have little impact on the operations of the City. The district contains the strategic activity centre of Stirling, which is a significant service centre which is expected to increase in significance as a major commercial and employment mode. It is located adjacent to the train/bus interchange, and is expected to support high density residential, mixed use commercial, and retail development."*

Community of interest

The City of Stirling states that the Minister's proposal would result in the division of a number of strong, coherent communities of interest including those around Jackadder Lake, Woodlands Shopping Centre and Wembley Downs Shopping Centre. The hub of the community at Centro Dianella Shopping Centre, the Dianella Library and the Dianella Community Centre will also be placed directly on this new boundary which is also said to divide a significant community of interest. However, both the Town of Cambridge and City of Bayswater submitted that the proposed changes aligned with communities of interest around Cambridge facilities and the Morley Strategic centre. In reality, there is some fact in both claims. The communities of interest on the Stirling side are not a compelling reason for not making the boundary change; the communities of interest on the Cambridge and Bayswater side support the proposed boundary change, but of themselves do not provide a compelling case for the boundary change to proceed.

The Board considers the localities subject to transfer to have strong links with adjacent localities in the neighbouring local governments and the opportunity exists for these to be further enhanced through boundary change. The residents of the affected areas will continue to use the same community facilities [possibly in neighbouring local governments] as they always have done. The current communities of interest will largely be left intact. There is a strong argument that the areas that are subject to possible excision under this proposal already have

established communities of interest with the affected neighbouring local governments.

The capacity of the City of Stirling to engage the community would remain strong under the proposed change in boundaries. The service needs of specific communities of interest, such as seniors, could continue to be well served.

Physical and topographic features

The Indian Ocean coastline forms the western boundary of the City. There is a lack of distinct physical or topographic features to form the southern and eastern boundary of the city. The City of Stirling submission argues that Cobb Street, Scarborough; Williamstown Road and Rosewood Avenue, Woodlands are local suburban streets and are not clearly identifiable as boundaries and that the existing boundary is far better defined. While this may be the case, it is noted that this proposed boundary (Cobb Street, etc) was suggested in a number of previous boundary reviews such as those in 1968 and 1972. The proposed boundaries are considered more logical but could be further improved. The local government area is effectively split in two at present by the Mitchell Freeway and this situation is unchanged. As the proposed MAX light rail from Mirrabooka to the City is planned to run down Alexander Drive, this would reinforce its suitability as a boundary feature.

Demographic trends

There are no compelling points of difference in the demographic details of the localities affected by the proposed boundary change. The City's population is reduced by approximately 36,000 under this proposal, but based on the projections prepared for the Board it would grow to 200,000 by 2023 and be back at 2013 levels (223,000) by 2040. Population growth will be steady and ongoing to at least 2050. Notwithstanding the overall reduction in aggregate population, the City of Stirling will still compare very favourably to the metropolitan mean across a broad range of demographics. Its resident population will continue to grow at a steady rate and it will not have to cope with the issues confronting high growth local governments. It will still be one of the largest local governments (population-wise) in the metropolitan area. The transfer of the affected areas will contribute to a more balanced demographic profile within the other affected local governments.

Demographic trends are not considered a major factor in assessing this proposed local government. The Board believes the capacity of the City of Stirling to service the needs of a growing and changing community, including a significant aged population would remain strong.

Economic factors

Stirling is a strategic metropolitan centre and will ultimately develop further to complement Perth as a major employment centre with associated social infrastructure. The City of Stirling is strategically positioned to take advantage of the status of the locality of Stirling as a strategic centre. The potential loss of the affected areas is considered to have little impact on the economic profile of the City of Stirling. With the focus remaining on the activity centre of Stirling, there would be some impact on economic factors as some district centres (Dianella, Inglewood, and Mount Lawley) are transferred, but this is considered to have marginal impact given the fundamental economic strength of the City of Stirling. The City of Stirling will retain its significant industrial areas in Balcatta and Osborne Park. The capacity of the City of Stirling to service the needs of a socially and economically diverse community would remain strong, notwithstanding that the City of Stirling indicates that it would have to review its Long Term Financial Plan to determine priorities including whether or not funding for major projects can still be achieved. The boundary change could also be taken into account in the Economic and Tourism Development Strategy that is under development.

Stirling is well served with public and private infrastructure. Boundary changes and potential changes in management of local facilities, is not expected to significantly affect operations and community access. The change in local government boundaries are not expected by the Board to lessen the amenity and services enjoyed by residents and businesses of the affected areas.

The history of the area

Historical considerations have long been viewed as a minor issue for amalgamations and boundary changes. While history can be created, it can not be changed and the Board has long taken the view that this criterion is not a significant consideration when assessing amalgamation and boundary amendment proposals.

In the Board's view, there are no significant differences in the history of the areas affected by the proposed boundary change to suggest that the proposed boundary change should not proceed. The boundary change might be seen by some as contributing to a loss of history, but that history will fundamentally remain. While local governments and boundaries may change, local history will remain. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another historical event and chapter in local history.

The City of Stirling submitted that the suburb of Inglewood has a unique history and character which it shares with Mount Lawley and the City of Stirling through heritage protection. The Mount Lawley Society supported the retention of Mount Lawley and Inglewood within the City of Stirling. The City of Bayswater submitted that Mount Lawley, Inglewood, Menora and Dianella have close historical ties to the suburbs of Maylands, Bedford, Bayswater and Morley having been settled in a similar era, and that the City is also committed to the preservation of history, heritage, character, local identity and sense of belonging. Ultimately this will be a key issue for future entities to consider ensuring the community's heritage aspirations are maintained.

Transport and communication

The proposed MAX light rail from Mirrabooka to the City is planned to run down Alexander Drive, which is the proposed boundary between the Bayswater and Stirling local governments under this proposal. This may have implications for planning and implementation of the proposed light rail. Otherwise the potential disruption to public transport, transport management and planning is considered by the Board to be minimal and there is no adverse impact on the City of Stirling's current road network (noting that a significant length of roads is moved to other local governments).

Matters affecting the viability of local governments

The viability of the City of Stirling is not considered to be in question despite the proposed transfer of suburbs out of the City. The proposal would have a negligible impact on viability and the City will remain a very sustainable local government with a population base of approximately 188,000 and a very diverse rating base. The suburbs are primarily residential in character with limited commercial development, notable exceptions being Dianella Plaza and the Mt Lawley and Inglewood precincts. The WATC analysis shows that the difference in the financial sustainability score is marginal. The ratio analysis shows the new entity is a well-balanced local government in all areas except for asset renewal funding, which is below benchmark and shows as the only area of noticeable weakness. The WATC advised that this was not a serious impediment to considering this proposal given the strength of all other ratios and projected financial performance.

The City of Stirling submitted in detail that there would be a major impact on the City's viability and would result in higher rates and a reduction in services for the Stirling community. Further, referencing the complex process of amalgamating seven local governments in western suburbs, the transfer of parts of the City of Stirling would not increase the viability of either of the affected local governments. The

financial sustainability analysis conducted by the WATC using financial data supplied by the City of Stirling indicates that even with the boundary changes the City of Stirling will still be a very sustainable local government.

The effective delivery of local government services

The proposed boundary changes would have negligible impact on the City of Stirling's capacity to deliver services; although a proportionate reduction in staff levels may be necessary (noting that it may be possible for some workers to be transferred with the transfer of territory). The effective delivery of local government services should be able to be maintained by the City of Stirling under the proposed changes, as it would still have the capacity and resources to deliver services at a comparable standard to those currently provided. The reduction in area and population provides an opportunity for implementing operational efficiencies. Major projects identified in community plans could still proceed, although the City's Long Term Financial Plan would have to be reviewed in light of the proposed changes.

The proposed boundary amendments are considered to have negligible impact on the capacity of the City of Stirling to deliver services; in fact the Board believes that it may be even better positioned to deliver further improvements in operating efficiencies.

Assessment of the City of Stirling's Proposal 11

against Local Government Advisory Board criteria

Proposal 11 was rejected by the Board.

From the City Stirling submission:

"The City of Stirling strongly urges the Local Government Advisory Board to reject any proposals to reduce the City's size so that it can continue to function as an effective and efficient Local Government through the retention of its current boundaries… a reduction in the size of the City of Stirling as proposed by the Minister for Local Government and Communities would not result in a stronger, more efficient Local Government. Nor will it provide any benefits to the City of Stirling community or to those existing residents moving to the newly created neighbouring Local Governments."

The City of Stirling no longer supports its proposal to the Board.

Community of interest

The areas affected by the proposal have strong links with neighbouring local governments and the opportunity exists for these to be further enhanced under the proposal. The residents of the affected areas will continue to use community facilities in neighbouring local governments as they always have done. The current communities of interest will largely be left intact. There is an argument that the areas that are subject to possible excision under the proposal already share communities of interest with adjacent localities in the neighbouring local governments.

According to the City of Stirling, a number of significant 'communities of interest' would be marginalised by the proposed changes to boundaries. However, as the Town of Cambridge contends there are some community of interest linkages between the localities affected by the proposed boundary to support the boundary change proceeding. The communities of interest on the Stirling side are not a compelling reason for not making the boundary change; the communities of interest on the Cambridge side support the proposed boundary change, but this in itself does not provide a compelling case for the boundary change to proceed.

While changes in boundaries are proposed, the Board believes the capacity of the City of Stirling to engage the community would remain strong. The service needs of specific communities of interest, such as seniors, would continue to be well served.

Physical and topographic features

The Indian Ocean coastline forms the western boundary of the City. The Board considers that there are no distinct physical or topographic features to form the southern and eastern boundaries of the city. The shifting of the boundary from Empire Avenue to Hale Road for a portion of that boundary is an improvement in terms of boundary legibility; the City of Stirling described this as a more natural boundary. The Board considers that Alexander Drive is a better boundary in the east than the current boundary. The local government area is effectively split in two by the Mitchell Freeway and this situation is unchanged.

Demographic trends

There are no compelling points of difference in the demographic details of the localities affected by the proposed boundary change. The City's population is reduced by approximately 12,000 under this proposal, but this would soon be made up. Based on the projections prepared for the Board, the City of Stirling would be back at 2013 population levels by 2020. Notwithstanding the overall reduction in aggregate population, the City of Stirling will still compare very favourably to the metropolitan mean across a broad range of demographics. Its resident population will continue to grow at a steady rate and it will not have to cope with the issues confronting high growth local governments. It will still be one of the largest local governments (population-wise) in the metropolitan area. The transfer of the affected areas will contribute to a more balanced demographic profile to the other affected local governments.

Demographic trends are not considered a major factor in assessing this proposed local government. The Board considers the capacity of the City of Stirling government to service the needs of a growing and changing community, including a significant aged population, would remain strong.

Economic factors

Stirling is a strategic metropolitan centre and will ultimately develop further to complement Perth as a major employment node with associated social infrastructure. The City of Stirling is strategically positioned to take advantage of the status of the locality of Stirling as a strategic metropolitan centre. The potential loss of the affected areas is considered to have negligible impact on the economic profile of the City of Stirling. The City of Stirling will retain its significant industrial areas in Balcatta and Osborne Park. The capacity of the City of Stirling to service the needs of a socially and economically diverse community would remain strong,

notwithstanding that the City of Stirling indicates that it would have to review its Long Term Financial Plan to determine priorities including whether or not funding for major projects can still be achieved. The boundary change could also be taken into account in the Economic and Tourism Development Strategy that is under development.

Stirling is well served with public and private infrastructure. The boundary changes under this proposal do not significantly affect the management of local facilities so therefore is not expected to affect operations and community access. Any changes in local government boundaries are not expected to lessen the amenity and services enjoyed by residents and businesses of the affected areas.

The history of the area

Historical considerations have long been viewed as a minor issue for amalgamations and boundary changes. While history can be created, it can not be changed and the Board has long taken the view that this criterion is not a significant consideration when assessing amalgamation and boundary amendment proposals.

In the Board's view, there are no significant differences in the history of the areas affected by the proposed boundary change to suggest that the proposed boundary change should not proceed. The boundary change might be seen by some as contributing to a loss of history, but that history will fundamentally remain. While local governments and boundaries may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another historical event and chapter in local history.

Transport and communication

The boundary change proposed by the City of Stirling would not have any major effect on transport and communication, so these factors are not considered a major factor in assessing this proposal. Under this proposal, the State would only need to deal with one local government regarding the proposed MAX rail project. The potential disruption to public transport, transport management and planning is considered minimal and there is no adverse impact on the City of Stirling's current road network (noting that a significant length of roads is moved to other local governments).

Matters affecting the viability of local governments

The City of Stirling submission does not address the impact of this proposal on viability. The Board has concluded that the viability of the City of Stirling is not

considered to be materially affected by the proposed transfer of suburbs out of the City, which are primarily residential in character with limited commercial development. The difference in the assessed financial sustainability score is very marginal. The proposal results in a 4.9% reduction in operating revenue and a 2.6% reduction in operating expenditure. The ratio analysis shows Stirling as a strong local government in all areas except a minor decline in asset renewal. The financial sustainability analysis conducted by the WATC, using financial data supplied by the City, indicates that even with the boundary changes the City of Stirling will remain a very sustainable local government with a population base of approximately 213,000 and a very diverse rating base.

The effective delivery of local government services

The proposed boundary changes would have negligible impact on the City of Stirling's capacity to deliver services or current staffing resources. The effective delivery of local government services would be able to be maintained by the City of Stirling under the proposed changes, as it would still have the capacity and resources to deliver services at a comparable standard to those currently provided. The reduction in area and population provides an opportunity for identifying and implementing operational efficiencies. Major projects identified in community plans could still proceed, although the City's Long Term Financial Plan would require some adjustment in light of the proposed changes.

The proposed boundary amendments are considered to have negligible impact on the capacity of the City of Stirling to deliver services; in fact the Board believes that it may be even better positioned to deliver further improvements in operating efficiencies.

Review and recommendations

The City of Stirling retains the most of its current area under the Stirling proposal, only proposing to cede part of Wembley Downs, and Churchlands and Wembley. There is some similarity in this area to the Cambridge proposals, and the Minister's proposals, but these would also move all of Wembley Downs and part of Woodlands as well from Stirling to Cambridge. While the Minister's proposal (2/2013) and the Bayswater proposal affects Dianella, Inglewood and/or Mount Lawley, the City of Stirling proposal is to retain these areas.

After completing its Inquiries the Board has assessed the Stirling proposal 11 and Minister's proposal 2/2013 similarly. Both proposals have the effect of reducing the size and scale of the City of Stirling, but the Board has concluded that there would be negligible or minor impact on the capacity of the City of Stirling to deliver services. The financial sustainability scores for the City of Stirling are high under both proposals. The City of Stirling will still be a very sustainable local government that will continue to grow in population over the next the 10 or 20 years to return to 2014 population levels.

As a result of its Inquiries, the Board resolved not to recommend implementation of either proposal. While there were advantages to be obtained through the proposals, the Board considers that the same advantages and the 'best' local government boundaries for this area would be achieved through progressing the proposals from adjacent local governments (the City of Bayswater and the Town of Cambridge).

Further, the Board has adjusted the boundaries of the Cambridge proposal 17 (impacting on both Stirling and the Town of Cambridge), by recommending Hale Road as the boundary from Pearson Avenue to the coast (see section 6.10) (Figure 8). The Board has deemed this change to be a 'minor' amendment to the Cambridge proposal 17, noting that Hale Road was also proposed by the City of Stirling as a 'more natural boundary'. By using Hale Road, a small portion of northern City Beach would be transferred from the Town of Cambridge to the City of Stirling. The Board considers that these amended boundaries are more logical.

In addition, the Board has made a small adjustment at Walcott Street to the boundary between the City of Vincent and City of Stirling (Figure 8).

Figure 8 - Transfer from City of Vincent to City of Stirling

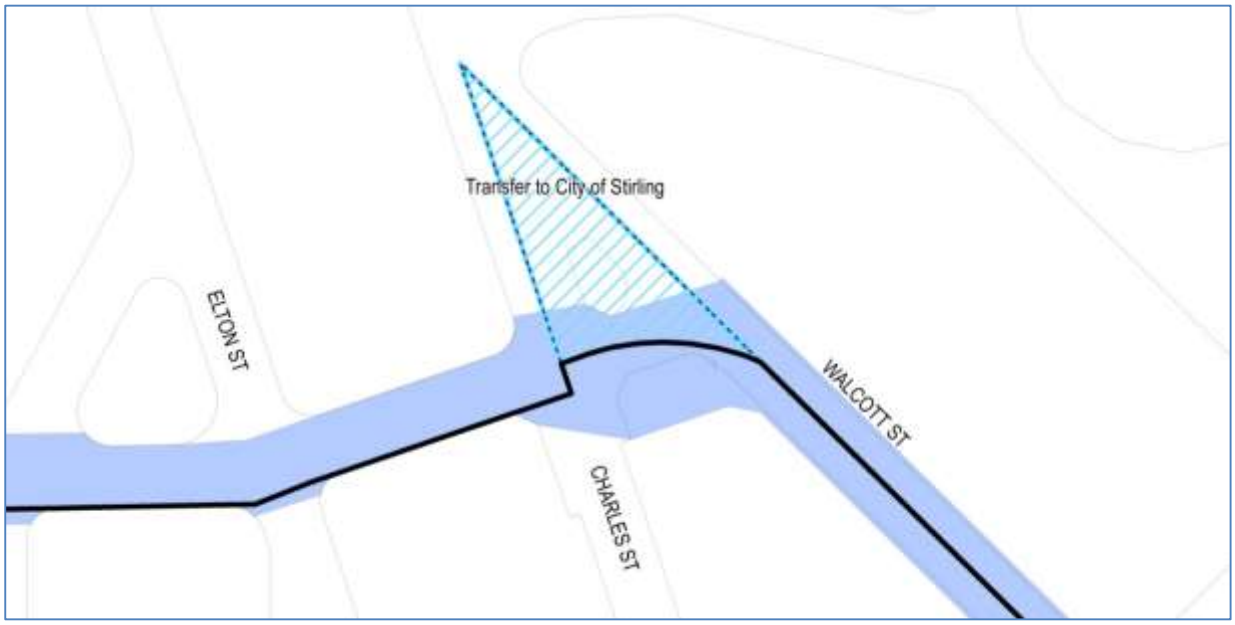


Figure 9 - Transfer to the City of Stirling



By recommending in favour of the Bayswater proposal 6 (see section 7.3), this has the effect of making Alexander Drive the City of Stirling's eastern boundary all the way from Reid Highway to Walcott Street Mount Lawley. The Alexander Drive boundary was also proposed by the City of Bayswater.

The amended City of Stirling would retain its focus on the strategic metropolitan centre of Stirling, which will increase in significance as a major commercial and

employment node. The financial sustainability scores of the modified City of Stirling are not materially less than the current City's, confirming that the City has the capacity to withstand the reduction in area. Clearly it will be a very sustainable local government into the future.

Table 39 - Financial Sustainability Scores (FSS) for the modified City of Stirling

FSS for current and proposed authorities	2010-2013	2010-2017
Existing City of Stirling	93	92
Modified City of Stirling	88	87

Source: WA Treasury Corporation. The FSS for all current metropolitan local governments and the proposed restructured local governments are included in Section 4 of the Appendices.

Given the Board's recommendations for Cambridge proposal 17 and Bayswater proposal 6, there are impacts on the existing representation arrangements within the City of Stirling. With Alexander Drive as the preferred boundary, approximately 25% of the Lawley Ward and 60% of the Inglewood ward would be transferred to the City of Bayswater. Similarly, with Hale Road as the preferred boundary, approximately 25% of the Doubleview Ward would be transferred to the Town of Cambridge.

The impact of excising areas from the City of Stirling to neighbouring local governments will require the City of Stirling to review the eligibility of its councillors to sit on council, should they be affected by the land transfer.

Recommendations

1. **The Local Government Advisory Board after formally inquiring into the proposal identified as Proposal 02/2013 recommends pursuant to clause 6 (1)(a) of Schedule 2.1 of the *Local Government Act 1995* that the Minister for Local Government reject the proposal.**
2. **The Local Government Advisory Board after formally inquiring into the proposal identified as Proposal 11/2013 recommends pursuant to clause 6 (1)(a) of Schedule 2.1 of the *Local Government Act 1995* that the Minister for Local Government reject the proposal.**

6.3 Inquiries into proposals affecting the Town of Bassendean and City of Bayswater

Overview of relevant proposals

This section presents the findings of the Board's Inquiries into proposals affecting the City of Bayswater and Town of Bassendean.

Primary:

03/2013 Minister's Proposal: Merger through boundary adjustment of Bassendean and Bayswater, inclusion of Inglewood and part Dianella from City of Stirling; part Noranda from City of Swan; part East Perth and Mount Lawley from City of Vincent.

6. City of Bayswater proposal: Merger through boundary adjustment of Bassendean and Bayswater, inclusion of Dianella (part), Inglewood, Menora (part), Mt Lawley and Yokine (part) from the City of Stirling; part Noranda, Kiara and Beechboro from City of Swan; part East Perth and Mount Lawley from City of Vincent.

Secondary:

1. Shire of Mundaring proposal: Amalgamation with City of Swan with transfers to City of Bayswater and City of Belmont. (For recommendation see Section 6.4)

02/2013 Minister's Proposal: Proposed boundary amendment to the City of Stirling to incorporate into the City of Bayswater parts of Dianella and Inglewood from the City of Stirling and to incorporate into the proposed new western suburbs local government certain localities from the City of Stirling. (For recommendation see Section 6.2)

2. City of Swan / Town of Bassendean proposal: Amalgamation of Swan and Bassendean with Mundaring and the eastern portion of Bayswater. (For recommendation see Section 6.4)

04/2013 Minister's Proposal: City of Swan boundary change with the Shire of Mundaring, with transfers to City of Bayswater and City of Belmont. (For recommendation see Section 6.4)

11. City of Stirling proposal: Proposed boundary amendment with the Town of Cambridge; does not propose ceding any territory to the City of Bayswater (For recommendation see Section 6.2)

14. / 26.City of Perth proposals 1 & 2: Proposed boundary amendment with Vincent, Subiaco, Nedlands, Victoria Park (For recommendation see Section 6.1)

16. City of Vincent proposal: Proposed amalgamation with City of Perth. The City does not propose ceding any territory to the City of Bayswater. (For recommendation see Section 6.1)

Table 40 - Proposals to Local Government Advisory Board affecting the Town of Bassendean and the City of Bayswater

Proposal number	Proposal name	Population estimate	Revenue estimate
2	City of Swan / Town of Bassendean proposal	184,000	$223.5m
6	City of Bayswater proposal	103,000	Not stated
11	City of Stirling proposal	198,500	Not stated
14 / 26	City of Perth proposals (1&2)	32,600	Not stated
16	City of Vincent proposal	55,600	$220.4m
03/2013	Minister's Proposal – City of Bayswater and Town of Bassendean	97,000	$98m

1. Shire of Mundaring proposal:

Amalgamation of the Shire of Mundaring with City of Swan, with transfers to the City of Bayswater (portion of Noranda) and City of Belmont.

2. City of Swan / Town of Bassendean proposal

The City of Swan / Town of Bassendean joint proposal involves an amalgamation and a boundary change. It would amalgamate the whole of the districts of the Town of Bassendean and the Shire of Mundaring with the whole of the district of the City of Swan. It also cedes that portion of Noranda in the City of Swan to the City of Bayswater, and land surrounding Perth Airport in the localities of Perth Airport, Hazelmere and South Guildford to the City of Belmont. This latter variation would ensure all land owned by Perth Airport will be located within the boundaries of one local government. It also proposes incorporating portion of the City of Bayswater east of Tonkin Highway, being parts of the localities of Morley, Embleton and Bayswater. "The Tonkin Highway forms one of Perth's major transport corridors and as such is included in the Gateway WA project that will see its expansion to six lanes and include several grade separated interchanges within the next five years." The

new local government authority resulting from this proposal will cover an area of 1688.9 km^2, covering almost one third (31.7%) of the entire Metropolitan area (5,350 km^2). The City of Swan and Town of Bassendean no longer support this proposal.

6. City of Bayswater proposal

The City of Bayswater boundary change proposal would create a larger City of Bayswater, by incorporating all of the Town of Bassendean, a portion of the City of Swan (parts of Noranda, Kiara and Beechboro), and a portion of the City of Stirling (Inglewood, Mount Lawley and parts of Dianella, Menora, and Yokine east of Alexander Drive) and Vincent (parts of Mount Lawley and East Perth). The local government would have a total area of 58 km^2. The City of Bayswater's preferred option is 'consistent with the State's proposal, with two minor boundary amendments [Kiara and Beechboro; Mount Lawley and East Perth], to create improved legibility of the expanded local government'. This amendment would relocate the boundary to road reserve rather than the existing situation that incorporates a mixture of road reserves and the rear of some residential lots. The use of Alexander Drive and Walcott Street as boundaries would provide boundary clarity.

11. City of Stirling proposal

The City of Stirling has proposed ceding some localities to the Town of Cambridge. The City of Stirling does not propose or support ceding any territory to the City of Bayswater, and has actively campaigned against this possibility.

14. / 26. City of Perth proposals 1 & 2

The City of Perth has proposed adding some small areas from the Cities of Nedlands, Subiaco, Vincent and Victoria Park. The City of Perth does not propose ceding any territory to the City of Bayswater, but its proposals would include a part of the City of Vincent (the Banks Precinct) that the City of Bayswater also seeks to add.

16. City of Vincent proposal

The City of Vincent has proposed an amalgamation with the City of Perth. It does not propose or support ceding any territory to the City of Bayswater.

02/2013 Minister's Proposal

The Minister's proposal is for a boundary adjustment whereby parts of Dianella and Inglewood (bounded by Alexander Drive, Homer Street, Walter Road and Central Avenue) would be transferred from the City of Stirling to the City of Bayswater. The

proposal also includes the transfer of other localities to the proposed new western suburbs local government.

03/2013 Minister's Proposal

The Minister's proposal is for a boundary adjustment whereby the City of Bayswater would incorporate the Town of Bassendean, with the addition of part of Noranda from the City of Swan, the addition of parts of Dianella and Inglewood from the City of Stirling, and the addition of a portion of the localities of Mount Lawley and East Perth from the City of Vincent. The local government would have a total area of 53.5 km^2 (including part of the Swan River). Specific boundaries include: North: Tonkin Highway and Morley Drive; West: Alexander Drive, Homer St, Walter Road, Central Avenue; South: Summers St (East Perth); East: Swan River. The City of Bayswater is proposed as the continuing local government as it has a strategic activity centre (Morley). The City of Bayswater administration is considerably larger with greater capacity to incorporate additional staff and service delivery ensuring service continuity to residents and business.

04/2013 Minister's Proposal

The Minister's proposal is for a boundary amendment to the City of Swan to subsume the Shire of Mundaring, with transfers to the City of Bayswater (portion of Noranda) and City of Belmont.

Common elements and points of difference of the proposals

There is considerable common ground in the Minister's and the City of Bayswater proposals, in that both would merge the Town of Bassendean with the City of Bayswater. The Town of Bassendean proposal is quite different, proposing a merger with the City of Swan.

The City of Bayswater proposal would include portions of territory from Stirling and Vincent, but neither local government supports ceding any territory to the City of Bayswater. The City of Perth seeks the same part of the City of Vincent as the City of Bayswater (being a small part of Mount Lawley and East Perth known as the Banks precinct).

As noted, the Minister's proposal 3/2013 is similar to the Bayswater proposal, in that the proposals are both largely mergers of the two local governments with boundary adjustments in Noranda, Inglewood and Dianella, but with the main difference being in the different treatment of Mount Lawley. Both the Minister's proposal 3/2013 and Bayswater's proposal 6 propose a boundary amendment rather than an

amalgamation between the two local governments. The Minister's proposal 3/2013 also does not take into account transferring small portions of Kiara and Beechboro from the City of Swan to Bayswater.

Current Situation

Table 41 - Vital statistics for the Town of Bassendean and the City of Bayswater

Vital statistics	Bassendean	Bayswater	Total
Area (land) (sq km)	11	32.7	43.7
Population (2013)	15,923	69,493	85,416
Average annual growth 2007/2012	1.9%	2.6%	2.4%
Population density (per sq.km.)	1,539	2,120	1,982
Dwellings	6,389	28,878	35,498
Value of building activity *$m	36.2	198.9	235.1
Length of sealed roads (km)	95	380	475
No. Employees	98.1	296.4	394.5
Residents per employee	197.7	182.2	210.0
Total rate revenue ($)*	$10,707,533	$34,549,121	$45,256,654
Total operating revenue ($)*	$19,995,067	$67,777,390	$87,772,457
Total operating expenditure ($)*	$21,853,421	$67,347,639	$89,201,060
Total rate revenue per capita ($)	$689	$513	$546
Property, plant & equipment per capita ($)	$6,503	$2,827	$9,331
Infrastructure per capita ($)	$2,598	$1,513	$4,111

Vital statistics	Bassendean	Bayswater	Total
Total operating revenue per capita ($)	$1,286	$1,007	$1,059
Total operating expenditure per capita ($)	$1,406	$1,000	$1,077
Average residential rate per assessment 2012/13*	$1,485	$946	NA

Source: various, including ABS and information returns to WA Local Government Grants Commission *Based on 2013-14 annual budget

Local government history and boundary changes

The original inhabitants of the area were the Noongar Aboriginal people. The local government boundaries have been relatively stable in the Bassendean and Bayswater area since the formation of the two original local governments in 1897 and 1901. The Town of Bassendean cites a historical connection with Guildford, being originally named West Guildford until 1922 when the new name of Bassendean was chosen. The original West Guildford Road District was created from territory of the Bayswater Road Board.[64] Prior to that, all of the territory was previously part of the Swan Road District. Previous local government reviews in the fifties, sixties and seventies, as well as the 2012 Robson review, made recommendations for the amalgamation of Bassendean and Bayswater.

Proposals previously considered by the Local Government Advisory Board

The Board has considered previous proposals for boundary adjustments affecting the City of Bayswater and the Town of Bassendean, including two proposals to transfer Maylands from the City of Stirling to the City of Bayswater. The Board conducted its inquiry into these two proposals and recommended to the Minister that an order be made. The locality of Maylands was subsequently transferred from the City of Stirling to the City of Bayswater at 31 March 1998. The City of Bayswater submission states that Maylands has been successfully integrated into the city, with residents benefiting from a number of initiatives, including the Maylands Transit Oriented Development (TOD) project, construction of The RISE (a $21 million multipurpose community and recreation centre) and acquisition of the Senses heritage building to act as a home for the WA State Ballet Company.

Regional cooperation and resource sharing

The Town of Bassendean and City of Bayswater are both members of the East metropolitan zone of WALGA, the Metropolitan Regional Road Group (28 other members) and are both signatories to the Metropolitan North and East Recovery Group Partnering Agreement on mutual aid in emergency response. Both local governments also participate in the Perth Airport Municipalities Group along with 10 other local governments. Most significantly, the Town of Bassendean and City of Bayswater are members of the Eastern Metropolitan Regional Council. Bassendean and Bayswater have separate Local Emergency Management Committees and are presently located in separate District Emergency Management Committee areas.

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[64] Government Gazette 10 May 1901, p1731. Source: Municipality Boundary Amendments Register, Government Gazette 31 July 2011, p123

Demographic Characteristics and Trends

Population growth in Bassendean / Bayswater is occurring at a lower rate than for metropolitan Perth as a whole (Table 3). Population growth is expected through infill and redevelopment, particularly around the Morley strategic centre and transit oriented developments at Ashfield, Bayswater and Maylands.

Table 42 - Local government populations 2006 to 2026

Local Government	Estimated Population	Projected Population*						
	2006	2011	2016	% Growth from 2011	2021	% Growth from 2011	2026	% Growth from 2011
Bayswater	58,700	62,300	64,500	3.5%	66,100	6.1%	67,600	8.5%
Bassendean	14,200	14,800	15,200	2.7%	15,600	5.4%	15,900	7.4%
Mundaring	36,629	37,719	40,303	6.9%	43,773	16.1%	47,239	25.2%
Swan	97,445	113,369	133,779	18.0%	157,213	38.7%	178,713	57.6%
Metro Perth	1,522,500	1,752,500	1,939,500	10.7%	2,105,700	20.2%	2,276,900	29.9%

*Source: Western Australian Planning Commission (2012) WA Tomorrow (Band C projections) http://www.planning.wa.gov.au/dop_pub_pdf/PlanningSummary.pdf Geografia 2014

During the course of its Inquiries the Board considered detailed demographic information, drawing on the analysis it commissioned by Geografia.[65] Several measurements of demographic characteristics such as population size and growth, and distribution by age, occupation and location provide information relevant to the Inquiries.

[65] Metropolitan Local Government Reform Demographic Analysis, Geografia 2014

Typical of older inner city suburbs, there is higher representation of seniors, and a slight under representation of children and youth in both areas compared to the metropolitan area as a whole. Age structure impacts on the level of demand for age based services and facilities such as child care. In terms of housing, both Bassendean and Bayswater predominately comprise separate housing; medium density housing is more common than in than the metropolitan area generally. The general decline in household size has implications for future housing demand.

The largest areas of employment were services, including health care and social assistance (10.8%) and retail trade (9.9%). The employment profile of Bassendean residents was similar to Bayswater residents, but with notably higher professional, scientific and technical employment in Bayswater and higher education and training employment in Bassendean. The Bassendean and Bayswater districts are some of the more disadvantaged in the metropolitan area according to ABS' Index of Relative Socio-Economic Disadvantage. Demographic factors are not considered a major factor in assessing these proposals.

Service Population

There is some benefit in considering service population in addition to resident population. Service population includes the workforce using the services in a local government area on a weekday basis. Service population is not a major issue in the Bassendean and Bayswater areas. There are 33,000 workers working in the combined area, and the majority (78%) come into the area from elsewhere. Local events such as Avon Descent Family Fun Days and local attractions such as the Bassendean Rail Transport Museum and Bassendean Oval (WAFL) would attract additional visitors and day trippers to the area. The Galleria shopping centre, the centrepiece of the Morley Strategic Activity centre, would draw shoppers from a much larger area than just the City of Bayswater, and provides some substance to extending the City's boundaries and capturing more of the centres service catchment. The centre's owners claim the centre serves a broad main trade area encompassing 231,700 residents.[66]

[66] http://visit.federationcentres.com.au/centres/WA/Galleria.aspx

Table 43 - Localities affected by the Bassendean / Bayswater proposals

Locality	Pop. (2011 Census)	Current City of Bayswater	Current Town of Bassendean	Swan/ Bassendean proposal 2	City of Bayswater proposal 6	Minister's Proposal 03/2013
Bayswater	13,525	Yes	No	Part	Yes	Yes
Bedford	4,944	Yes	No	No	Yes	Yes
Embleton	2,737	Yes	No	Part	Yes	Yes
Morley	20,301	Yes	No	Part	Yes	Yes
Maylands	12,353	Yes	No	No	Yes	Yes
Noranda	8,079	Part	No	No	Yes	Yes
Bassendean	9,640	No	Yes	Yes	Yes	Yes
Ashfield	1,256	No	Yes	Yes	Yes	Yes
Kiara	1,793	No	No	Yes	Part	No
Lockridge	3,566	No	No	Yes	No	No
Eden Hill	3,509	No	Yes	Yes	Yes	Yes
Beechboro	13,997	No	No	Yes	Part	No
East Perth	8,185	No	No	No	Part	Part
Dianella	22,521	No	No	No	Part	Part
Inglewood	5,503	No	No	No	Part	Part

Locality	Pop. (2011 Census)	Current City of Bayswater	Current Town of Bassendean	Swan/ Bassendean proposal 2	City of Bayswater proposal 6	Minister's Proposal 03/2013
Menora	2,675	No	No	No	Part	No
Mount Lawley	10,703	No	No	No	Part	Part
Yokine	10,613	No	No	No	Part	No
Altone	21,445	No	No	Yes	No	No
Ballajura	20,085	No	No	Yes	No	No
Bullsbrook	5,321	No	No	Yes	No	No
Ellenbrook	27,362	No	No	Yes	No	No
Gidgegannup	3,356	No	No	Yes	No	No
Guildford	6,077	No	No	Yes	No	No
Midland	13,501	No	No	Yes	No	No
Noranda	1,496	No	No	No	Yes	Yes
Swan Valley	5,628	No	No	Yes	No	No
Swan View	10,068	No	No	Yes	No	No
The Vines	3,407	No	No	Yes	No	No

[Shire of Mundaring localities not included in the above table]

Community of interest

The Board has previously expressed the view that the external boundaries of a local government should reflect distinct communities of interest wherever possible. The following observations about communities of interest in Bassendean and Bayswater and adjacent areas were noted.

Journey to work: According to the 2011 Census, there were 38,351 workers residing in the combined Bassendean and Bayswater areas. There were 33,187 workers employed in the combined Bassendean and Bayswater areas, so the excess of workers over available jobs means there must be a net outflow of workers. This yields a potential self-containment rate 86.5% (Bayswater 82.3%, Bassendean 95%), but this is tempered by the percentage of residents who work locally: 15.1% (5,775) of workers who live in the Bassendean and Bayswater area are employed in the Bassendean and Bayswater area (16% for Bayswater, 12.7% Bassendean). 25% (5,771) of workers employed in the Bassendean and Bayswater area reside in the area (28% Bayswater, 15.7% Bassendean). The biggest percentage of Bassendean and Bayswater residents work in the Perth City area (21.3%). Other important employment destinations include Morley (6%), Bayswater (5.5%, includes Embleton and Bedford) and Bassendean areas. The next most important employment location outside of the districts are Malaga (3.3%) and Subiaco (2.9%).The local area is the biggest source of workers employed in the Bassendean / Bayswater area (22.0%). Swan (11%) and Dianella (2.7%) are the next most important sources.

Educational Facilities: The boundaries of the Bassendean and Bayswater areas contain thirteen government primary schools, four Catholic primary schools, and a special School. Most of the affected area falls in the local intake area of three government high schools (John Forrest Secondary College, Hampton and Morley Senior High). Lockridge, Mount Lawley and Governor Stirling (Midland) High schools also serve parts of the areas covered by the Bassendean and Bayswater local governments. Chisholm Catholic College tends to draw its students from across a wider area than the local high schools. In the additional area proposed by the Minister (Inglewood, Dianella), there are a further three government primary schools and two Catholic primary schools and the Australian Islamic school. An additional government primary school, high school (Mount Lawley), private college (Perth College) and Catholic primary schools are located in the Mount Lawley area sought by the City of Bayswater. There are no major technical or tertiary institutions in the Bassendean and Bayswater area.

Newspaper circulation: The Bassendean and Bayswater areas receive the same local community paper, the Eastern Reporter. This edition does not yet circulate in the adjoining parts of Stirling proposed to be included in the local government.

State Electoral Districts: The City of Bayswater is covered by the State Legislative Assembly seats of Maylands and Morley, and a small portion of the seat of Mount Lawley. The seat of Morley also includes eastern parts of Stirling including Dianella and Nollamara. The Town of Bassendean is covered by the seat of Bassendean, which also includes parts of Beechboro and Lockridge (City of Swan). The Minister's proposal and the City of Bayswater proposal would also include more of the Mount Lawley electorate in the City of Bayswater. The electorates are all within the East Metropolitan Region for Legislative Council elections.

Commonwealth Electoral Divisions: All of the area affected by the Bayswater proposal, including all of Bassendean and Bayswater, are located within the Federal division of Perth, with small parts of the local governments of Perth, Stirling and Swan also part of the division. The Swan River forms the boundary between the division of Perth and the division of Swan. Alexander Drive is the western boundary for the Perth division, with Reid Highway in the north. The local government area proposed by Bayswater would be wholly contained within, and makeup about 80% of, the division of Perth.

Public transport: The strategic activity centre of Morley is not connected to the metropolitan passenger rail network, but is serviced by high frequency bus routes and a bus transfer station (20 routes). Beaufort Street, North Street, Guildford Road and Alexander Drive are the major arteries for buses linking the area to the Perth CBD.The Perth to Midland railway line also serves the eastern part of the area, with stations at Mount Lawley, Maylands, Meltham, Bayswater, Ashfield, Bassendean, and Success Hill. Beaufort Street has been identified as a key corridor which would benefit from uniform management from one local government. A major consideration is the proposed new light rail Metro Area Express (MAX). The proposed MAX route extends from Mirrabooka in the north through to the Perth CBD before splitting into branches to the QEII Medical Centre and the Causeway to Victoria Park. Much of the proposed route follows Alexander Drive which is the proposed boundary of the enlarged City of Bayswater. A MAX stop will be at the Dianella Shopping Centre which is proposed to be located within the City of Bayswater. The proposed move of the local government boundary to Alexander Drive would add another local government for consultation and liaison.

Community of interest: Summary and Comment

There are strong community of interest links within this area and there are a number of similarities between the Bayswater and Bassendean areas in particular.

- Demographic characteristics are relatively similar
- Industry of employment and journey to work patterns are relatively similar
- There is overlap in the local intake areas of the government high schools. For example, Bassendean students might attend Hampton High or John Forrest College located in the City of Bayswater (as well as Lockridge High located in the City of Swan)
- Most of the area receives the same local community newspaper
- The area is in the same Legislative Council electoral region (albeit divided in to four complementary Legislative Assembly seats)
- Bayswater and Bassendean are both located within the Federal division of Perth

There are other community of interest links between the areas. The areas are relatively similar in terms of their age, history, demographics and housing and industry mix. Bayswater and Bassendean share the same transport links to the City and to Midland. The councils are in the same regional local government (EMRC), same WALGA zone, same Development Assessment Panel and are both members of the Perth Airport Municipalities Group. The local governments are located in the same police subdistricts and the same health and education districts.

While of themselves these observations do not provide a compelling argument for the proposed boundary changes between Bayswater and Bassendean, they do indicate to the Board that there are no compelling points of difference between the various localities affected by the proposed changes to suggest that they should not happen.

The ‘vision’ and strategic plans of the councils can be pointers to common interests. The Board notes that common values can give rise to community of interest. With a common focus in the Bayswater and Bassendean plans on sense of belonging, there is the basis there for both local governments and communities to come together and yet still maintain a focus on the respective communities. There is nothing in the vision statements to suggest the communities would not be able to coexist in a single local government.

Economic considerations

The strategic activity centre of Morley and industrial centre of Ashfield (Bayswater - Bassendean) provide the economic base for this local government. As a designated strategic metropolitan centre, Morley provides an extensive range of economic and community services for the communities in its catchment. It has not yet developed to the point where it hosts major offices and government agencies. Unlike other strategic activity centres, Morley is not connected to the metropolitan passenger rail network, but is serviced by high frequency bus routes and a bus transfer station. The Ashfield industrial area straddles the current Bassendean- Bayswater local government boundary. With this major industrial area around Tonkin Highway/Collier Road/Railway Parade/Guildford Road being divided between two local governments, the City of Bayswater proposal suggests that if this industrial area were under one local government there would be better opportunities for consistent development management, economic growth and coordinated promotion.

Both Bayswater and Bassendean actively promote economic development and employ Economic Development Officers. Bassendean has an Economic Development Advisory Committee and a business services website.[67] Bayswater also provides information and assistance to business, including through its website. A regional economic development strategy has been prepared through the EMRC. Both local governments express a community aspiration for a vibrant local business economy, so again there is a basis for a new local government to work towards the common goals of the existing local governments.

Public Infrastructure

Significant public and private infrastructure is already present in the Bayswater and Bassendean areas. It includes the roads and rail network, education establishments and sporting facilities. Local government and community infrastructure in the region includes two local government offices, four local government libraries, the Bayswater Waves Aquatic Centre, many parks, gardens and playgrounds and foreshore reserves.

The Board has taken the view that any change in local government arrangements in the region is unlikely to negatively affect this infrastructure, and the amenity enjoyed by residents of this area is unlikely to be lessened. A regional integrated transport strategy has been prepared through the EMRC. The creation of a single local government would facilitate a uniform and coordinated approach to a functional road

[67] (www.bassendeanmeansbusiness.com.au)

hierarchy and traffic management, and bring the opportunity to facilitate integrated transport planning.

There is significant local government infrastructure in the portion of the City of Stirling proposed to be transferred to this local government under the Bayswater and Minister's proposals (03/2013) including:

- Major roads - Beaufort St and Alexander Drive.
- Dianella Library and Dianella Community Centre (Kerry St/Chester Ave).
- Inglewood Library and Bob Daniel Community Centre (Beaufort St).
- Inglewood Child Health Centre (Beaufort St)
- Terry Tyzack Aquatic Centre (Inglewood).
- Dianella Open Space (playing fields, pavilions, Jim Satchell Recreation Centre (Light St).
- Inglewood Oval/Hamer Park (playing fields and pavilions).
- Walter Road Reserve (Intiga Stadium) (Inglewood), currently used for soccer.
- Various other neighbourhood parks and local roads and footpaths.

Lightning Park sporting ground and Lightning Swamp bushland are in that part of Noranda (City of Swan) proposed to be included in this local government.

Environmental Context

The environmental context of this area can be summarised as being part of the Swan coastal plain, with some remnant wetlands (e.g. Lightning Swamp). The area is bordered on the south - east by the Swan River; The City of Bayswater has a river frontage of 10.2kms in length, the Town of Bassendean a further 7km.[68] Bayswater and Bassendean have strategies and programs dedicated to maintaining and improving the natural environment. This includes recognition within the strategic community plans, and waste management, climate change and waterwise components. The local governments are involved in a range of environmental programs including the Cities for Climate Protection Campaign, in part facilitated by the EMRC.

Consolidation of local government provides the potential to address natural resource management issues. For example, there are currently 21 local governments covered

[68] http://www.bayswater.wa.gov.au/about-bayswater/location-and-statistics; http://www.bassendean.wa.gov.au/1_about_bsdn/overview.html

by the Swan River Trust management area, including the City of Bayswater and Town of Bassendean. The potential reduction of metropolitan local governments, and in particular this proposed merger, has the potential to enhance foreshore and river management in the region.

The Board notes that heritage is a significant consideration in the area, particularly for the parts of Mount Lawley and Inglewood proposed to be transferred out of the City of Stirling. The Stirling and Bassendean local governments both expressed concerns about the future of the heritage values of the areas affected by the proposals. A strong commitment by the City of Bayswater to heritage is evident through its Heritage Advisory Committee, Town Planning Scheme, and Character Protection Areas, and as a finalist in the 2014 Western Australian Heritage Awards. While the City of Stirling's character retention guidelines for Mt Lawley, Menora and Inglewood are more detailed than the City of Bayswater's character protection guidelines for Mount Lawley and Maylands, together they provide a foundation to preserve heritage values into the future. The City of Bayswater is currently undertaking a review of character protection areas. Ultimately, heritage will be a key issue for the new entity to consider in relation to the broader community's expectations.

Local Government

Both Bassendean and Bayswater have largely completed the statutory requirements under the integrated planning framework. Excerpts from the respective strategic community plans show a common desire for a sustainable and accessible city with vibrancy and diversity. The two local governments have approximately 400 employees (FTE) in total, with duplication in many roles including Chief Executive Officers and other senior directors.

Notable facilities include residential aged care facilities and extensive recreation facilities including aquatic centres. Bayswater owns a residential aged care facility and hostel facility (Mertome) that is run by private management. A $170m redevelopment project to be developed over 25 years in eight stages is being progressed. Bassendean operates the Hyde Retirement Village with 31 Independent Living/Self-Care Units. The activities of the councils in services to seniors reflect a similar philosophical approach as well as the similarity in demographics.

There is likely to be some scope for rationalisation of infrastructure and equipment while at the same time maintaining effective and efficient delivery of services. At present, the proposed area includes two council offices and two depots. The operation of the libraries and other major facilities, such as aquatic centres, would

continue as local government assets and not be affected by the proposed boundary changes. While it is noted that Bassendean has riverside parks and reserves, along with Bayswater, it does not have an aquatic or leisure centre so it is assumed that residents use facilities in neighbouring local government areas such as Bayswater. The Board's view is that the effective delivery of local government services would be maintained and potentially enhanced by the proposed merger of Bassendean and Bayswater, which would have the capacity and resources to deliver services to at least a comparable standard to those currently provided. It is likely that some services are being provided in some parts of the proposed area and not others, such as security patrol services, so this would be a matter for the new entity to resolve.

Each local government has the required local planning strategies and town planning schemes to guide and control development in their respective districts. Directions 2031 has a target of about 11,500 new dwellings in this area by 2031. The City of Bayswater and Town of Bassendean have partnered to provide an urban design framework for the redevelopment of the important commercial and residential area around the Ashfield train station TOD. The Metropolitan Central Joint Development Assessment Panel (JDAP) covers Bassendean and Bayswater and five other local government areas.

Local Government Finance

With a diverse rate base that includes commercial, retail, industrial and residential properties, the combination of Bassendean and Bayswater will be a financially stronger local government, with operating revenue of at least $88million. GRV rates (cent in the dollar) are currently lowest in Bayswater and higher in Bassendean. Following a merger or boundary change, the rates (or at least the rate in the $ applied to the valuation) might be expected to reduce in Bassendean. There would be no effect on the total financial assistance grant entitlements, with the new entity receiving the total of the current entitlements of the constituent local governments. Collectively these grants account for only 3% of the local government's current revenue. Asset management implications have been examined in detail as part of the Board's Inquiries.

Table 44 - Local government financial data for Town of Bassendean and City of Bayswater

Financial data	Bassendean	Bayswater	Total
Total rate revenue ($)*	$10,707,533	$34,549,121	$45,256,654
Total operating revenue ($)*	$19,995,067	$67,777,390	$87,772,457
Total operating expenditure ($)*	$21,853,421	$67,347,639	$89,201,060
Total rate revenue per capita ($)	$689	$513	$546
Total operating revenue per capita ($)	$1,286	$1,007	$1,059
Total operating expenditure per capita ($)	$1,406	$1,000	$1,077
Property, plant & equipment per capita ($)	$6,503	$2,827	$9,331
Infrastructure per capita ($)	$2,598	$1,513	$4,111
Average residential rate per assessment 2012/13* ($)	$1,485	$946	N/A
Rates as % of operating revenue	53.55%	50.97%	51.56%
Residential rates as % of total rates	N/A	78.8%	N/A
Commercial rates as % of total rates	N/A	21.2%	N/A
Employee Costs	$8,725,357	$28,000,517	$36,725,874

*Based on 2013-14 annual budget

Table 45 - Rate in dollar GRV (2013/14 budget)

Council	Minimum Rate Residential (2013/14)	Residential Improved GRV Rate/$	Commercial Improved GRV Rate/$	Industrial Improved GRV Rate/$	Vacant Land GRV Rate/$	Total rate income 2013/14	Waste fee
Bassendean	$940	0.07315	0.07315	0.07315	0.07315	$10,707,533	$305
Bayswater	$739	0.05831	0.05831	0.05831	0.05831	$34,549,121	$285
Mundaring	$905	0.09059338	0.09059338	0.0905934	0.090593	$23,969,512	$308
Swan	$805	0.06945	0.08499	0.08499	No data	$80,899,589	$328
Stirling*	$763	0.05277	0.05277	0.05277	0.05277	$115,317,514	$278
Vincent*	$681	0.06995	0.06995	0.06995	0.06995	$25,222,320	N/A

* Note: only portions of these areas to be incorporated into this proposed local government.

With the assistance of the affected local governments information has been compiled for the Board in respect of the areas affected by these proposals (Tables 46 - 48).

Table 46 - Key financial information for the Minister's Proposal 03/2013 – City of Bayswater and Town of Bassendean

Minister Proposal 03/2013 – Bayswater / Bassendean	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Bayswater	$67,115,084	$66,561,233	$32,953,343	$19,439,294	$505,097
Bassendean	$18,721,795	$19,283,107	$10,043,242	$4,591,513	$367,863
add: Stirling - Dianella & Inglewood	$12,414,088	$9,054,491	$8,210,705	$653,305	$0

Minister Proposal 03/2013 – Bayswater / Bassendean	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
add: Swan - Noranda	$819,765	$411,750	$642,607	$167,409	$9,749
add: Vincent - East Perth/ Mount Lawley	$934,719	$962,345	$476,519	$306,085	$95,899
TOTAL	$100,005,451	$96,272,926	$52,326,416	$25,157,606	$978,607

Table 47 - Key financial information for the City of Bayswater's Proposal 6

Proposal 6 - City of Bayswater	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Bayswater	$67,115,084	$66,561,233	$32,953,343	$19,439,294	$505,097
Bassendean	$18,721,795	$19,283,107	$10,043,242	$4,591,513	$367,863
add: Stirling - Menora, Mount Lawley, Dianella & Inglewood	$21,981,452	$14,919,099	$12,308,190	$4,944,513	$0
add: Swan - Noranda	$819,765	$411,750	$642,607	$167,409	$9,749
add: Vincent - East Perth/ Mount Lawley	$934,719	$962,345	$476,519	$306,085	$95,899
TOTAL	$109,572,815	$102,137,534	$56,423,901	$29,448,814	$978,607

Table 48 - Key financial information for the City of Swan and Town of Bassendean's Proposal 2

Proposal 2 Swan / Bassendean	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Swan	$129,799,102	$117,642,850	$86,198,174	$26,914,614	$1,624,828
Mundaring	$40,009,891	$42,980,050	$22,796,775	$7,534,148	$2,869,627
Bassendean	$18,721,795	$19,283,107	$10,043,242	$4,591,513	$367,863
add: Bayswater - Morley, Embleton, Bayswater	$9,920,050	$7,249,573	$5,021,000	$2,249,010	$90,917
Less: Swan - Noranda	$819,765	$411,750	$642,607	$167,409	$9,749
Less: Swan - Perth Airport	$1,603,720	$104,702	$1,603,720	$104,702	$1,603,720
TOTAL	$196,027,353	$186,639,127	$121,812,864	$41,017,174	$3,339,767

Table 49 - Comparative Summary for Bayswater proposals

City of Bayswater / Bassendean under	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Minister proposal	$100,005,451	$96,272,926	$52,326,416	$25,157,606	$978,607
Bayswater proposal	$109,572,815	$102,137,534	$56,423,901	$29,448,814	$978,607
Difference	$9,567,364	$5,864,608	$4,097,485	$4,291,208	$0

Table 50 - Comparative Summary for Bassendean proposals

Town of Bassendean under	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Minister proposal	$100,005,451	$96,272,926	$52,326,416	$25,157,606	$978,607
Swan proposal	$186,927,068	$179,801,305	$117,434,471	$38,935,573	$3,258,598
Difference	$86,921,618	$83,528,379	$65,108,055	$13,777,967	$2,279,991

Financial health checks

In the Department of Local Government's 2009 Local Government Reform Steering Committee report, Bassendean and Bayswater were both rated as Category 1 (as were Mundaring and Swan). The independent expert analysis of the financial position of the local governments conducted for the Metropolitan Local Government Review Panel included a five-year analysis of sustainability measures. Bassendean and Bayswater were both rated as marginal. The Board noted that an updated analysis was included in the joint Bassendean Swan proposal, resulting in Bassendean being rated as sustainable. A financial health check (based on the 2012-13 annual financial statements) undertaken by the Department of Local Government and Communities has rated Bassendean as 'reasonable' and Bayswater as 'strong'.

Financial Sustainability Analysis

The Western Australian Treasury Corporation (WATC) was commissioned to undertake a comparative analysis of the financial sustainability of existing and proposed metropolitan local governments. The financial analysis by WATC was based on the seven (7) financial ratios on which local governments are required to report, considering the past four financial years using the annual financial statements, and the forward looking next four years based on the financial plans, with seven years of data (2010-2017) to derive a Financial Sustainability Score as follows:

Table 51 - Financial Sustainability Scores (FSS)

FSS for current and proposed authorities	2010-2013	2010-2017
Existing City of Bayswater	87	70
Existing Town of Bassendean	45	46
Minister Proposal 03/2013	89	77
Bayswater Proposal 6	91	81
Swan/Bassendean Proposal 2	85	83

Source: WA Treasury Corporation. The FSS for all current metropolitan local governments and the proposed restructured local governments are included in Section 4 of the Appendices.

The WATC analysis shows proposal 03/2013 has a positive impact on both the existing local government areas, and eliminates the significant existing differential between the City of Bayswater and the Town of Bassendean. The resulting FSS is significantly higher than the current Bassendean, and also higher than current Bayswater. The City of Bayswater Proposal 6 also has a positive impact on both existing local governments, and eliminates the significant existing differential between the City of Bayswater and the

Town of Bassendean. The resulting FSS is not just significantly higher than the existing Bassendean, but also higher than existing Bayswater.

Under either scenario, the new entity would be a strong local government in most areas but somewhat unbalanced in some areas such as current and asset renewal ratios, which would be below benchmark. While these indicate areas of weakness, they are not viewed by the WATC as serious impediments to considering the proposals given the strength of all other ratios and projected financial performance, and the financial situation of the existing local governments.

Table 52 - 2012/2013 Financial Ratios

Local Government	Bayswater	Bassendean	Stirling
Current Ratio	2.05	0.672	2.98
Debt Service Coverage	650.25	2.732	147905
Own Source Revenue	1.16	0.84	1.02
Operating Surplus	0.54	0.003	0.11
Asset Consumption	0.59	0.848	0.62
Asset Sustainability	0.99	0.838	1.48
Asset Renewal	0.62	1.018	0.71

Submissions to the Local Government Advisory Board

Submissions were provided to the Board during the advertised public submission periods by local governments, industry groups, local businesses and affected ratepayers. A summary of these submissions is detailed below. Note the following summaries are the position put forward by those making the submission.

Local government submissions:

City of Bayswater

In respect of the City of Bayswater proposal:

"The City believes that the proposed expanded Local Government will be well placed to meet the future demands of the population and to continue the high level of service provision currently experienced by residents of the City of Bayswater. Notwithstanding this, the City will ensure that the new areas that are contained within the new expanded boundary maintain their sense of identity whilst still being afforded the benefits of the

level of service currently offered by the City of Bayswater and the additional benefits of economy of scale associated with a larger Local Government."

The City supports the boundary amendment because of its belief that the new local government created will be sustainable, responsive, and able to celebrate the character, identity, sense of belonging and heritage of all of the communities involved. Mount Lawley, Inglewood, Menora and Dianella have close ties to the suburbs of Maylands, Bedford, Bayswater and Morley having been settled in a similar era. Beaufort Street is identified as a key corridor which would benefit from uniform management by one local authority. The areas have close proximity to the Morley City Centre which also caters for the commercial needs of these areas. Consequently the City suggests that "by not including Mount Lawley, Inglewood, Menora there will be a fracturing of communities of interest and would not be in accordance with WAPC's *Directions 2031 and Beyond* as this would provide inconsistent catchments." The City of Bayswater cites the Maylands experience [1998]*, "when that suburb joined us from the City of Stirling, residents:-*

- *retained access to all of the facilities they previously enjoyed, such as the local library and recreation facilities;*
- *gained access to enhanced services, such as the City's three bin system;*
- *benefited from programs to preserve the area's heritage and character;*
- *benefited from substantial investment in upgrading and providing new community facilities, including The RISE, a $21 million community hub and a $400,000 enhancement of the Maylands Waterland; and*
- *enjoyed protection of the area's identity and character through the introduction of planning guidelines and an urban design framework."*

Town of Bassendean / City of Swan

From the Bassendean/ Swan proposal:

"The new local government authority requires a capable workforce, finances and assets. The resource capability of the new authority would be strengthened under this proposal."

The larger population base will provide an increased capacity to advocate and lobby Commonwealth and State governments for the funding of projects and services that the community sees as its priorities. There will be improved opportunity to form partnerships and engage with Commonwealth and State governments to ensure the

needs of community are met. There will be greater opportunities for investment attraction and promotion of economic development throughout the larger entity.

The new entity will have greater capacity to meet the needs of residents and ratepayers through improved integration of services throughout the large geographic area of the new entity encompassing almost 1,700 square kilometres. There would be a blending of communities of interest that may have previously been divided by the former council boundaries.

Established integrated business planning processes will assist in the planning and delivery of local government services to its community. The Strategic Community Plans from each of the existing local governments can be used to understand community aspirations, values and long term priorities at a local level, as well as being used to inform the development of the new Strategic Community Plan for the new authority. The Corporate Business Plans from each of the existing local governments can be used to understand operational delivery and resource capability. This information can be used to understand the capacity and capability of the new authority. The Local Planning Schemes and strategies from each of the existing local governments can be used to determine future strategic and statutory land use planning requirements for the new authority.

Town of Bassendean

The Town of Bassendean withdrew from the Swan Local Implementation Committee, as the City of Swan no longer supported the joint City of Swan / Town of Bassendean proposal.

The Town is opposed to the City of Bayswater and Minister's proposal 03/2013. Its points of objection include the historical connections to Midland rather than Morley and the social and historical links with Guildford rather than Bayswater. The main community of interest lies on the east side of the Tonkin Highway and includes Kiara and Lockridge. Both the Minister's and the City of Bayswater's proposals suggest an illogical border between Bayswater and Swan. The Town recognises there are similar demographics with the City of Bayswater, but there are considerable similar matches between the Town and Lockridge and Kiara.

The Town has indicated that it would only agree to an amalgamation with Bayswater (as well as the areas from the Cities of Stirling and Swan) as this would create a new local government in which the Town would be an equal partner in decision making. The Town has proposed an entirely new ward structure where councillor representation would be better distributed for the entire new area. The Town has also submitted that

the name “City of Bayswater-Bassendean” be adopted in recognition that a whole local government with a long history has been incorporated into the new entity.

City of Swan

The City of Swan withdrew support for the joint City of Swan / Town of Bassendean proposal, supporting the Minister’s proposal 04/2013 as a boundary adjustment between Swan and Mundaring with no effect on Bassendean. The City of Swan supports the transfer of its portion of the locality of Noranda to the City of Bayswater.

City of Stirling

The City of Stirling argues that there are several major disbenefits and no benefits to the ratepayers of the City of Stirling arising from the proposals that would transfer territory away from the City of Stirling. Further, there would be a reduction in the effective delivery of local government services to the City of Stirling community. The proposed Alexander Drive boundary would divide the suburb of Dianella and transfer the majority of the suburb of Inglewood to the newly created ‘Morley’ local government. A number of significant communities of interest will be located directly on this new boundary, including a number of facilities currently operated by the City of Stirling. The viability of the City of Stirling would be significantly reduced with a reduction in size and associated economies of scale: *“The City of Stirling strongly urges the Local Government Advisory Board to reject any proposals to reduce the City’s size so that it can continue to function as an effective and efficient local government through the retention of its current boundaries.”*

City of Vincent

The City of Vincent does not support the transfer of portion of its district to the City of Bayswater, given its preference for a complete merger with the City of Perth.

Other submissions

The Board noted that these proposals attracted relatively fewer submissions compared to other proposals received by the Board. There were five submissions in support of the Minister’s proposal (03/2013), and seven in support of the City of Bayswater’s Proposal 6, primarily based on a perception that the City of Bayswater would provide improved services for localities incorporated into its district. The 28 submissions against Proposal 03/2013, and 18 against Proposal 6, were generally based on opposition to any change at all (over 30 of them from residents of the City of Vincent who objected to the transfer of the locality known as the ‘Banks Precinct’ from the current Vincent district to the proposed ‘Bayswater-Bassendean’ district).

The Mount Lawley Society lodged a submission against any change in Stirling's boundaries for Menora, Mount Lawley, Inglewood (and Dianella), arguing that heritage protection would significantly diminish for the area if Bayswater's current system were to be applied.

Table 53 - Submissions lodged on proposals

Origin of submissions	**Number of submissions**			
	Proposal 03/2013		**Proposal 6**	
	For	Against	For	Against
Local governments	1	3	2	2
Stakeholders	1	6	1	3
Individuals	5	28	7	18
Totals	**7**	**37**	**10**	**23**

Table 54 - Summary information for current Town of Bassendean and City of Bayswater and for Proposals 6, 2 and 03/2013

Summary information	**Bassendean**	**Bayswater**	**Bayswater Proposal 6**	**Bassendean/ Swan Proposal 2**	**Minister's Proposal 03/2013**
Population 2013	15,923	69,493	116,890	189,714	106,826
% variation from 100,000 in 2013	-84%	-31%	17%	90%	7%
Population 2026	16,837	74,083	125,126	231,261	113,864
Population 2050	17,337	78,997	135,739	300,485	122,602
Strategic centres (Strategic – bold)	None	**Morley**	**Morley**	**Midland** Ellenbrook	**Morley**
Future industrial sites	None	None	None	None	None
Additional dwelling Target (D2031)	3,000	8,500	11,500 +	43,000 (est)	11,500 +
Local employment %	82.3%	95%	No data	No data	No data
Total FTE	98.1	296.4	No data	No data	No data
Total Expenditure	$21,853,421	$67,347,639	No data	No data	No data
Total Rates	$10,707,533	$34,549,121	No data	No data	No data
Average residential GRV	$23,455*	$16,528	No data	No data	No data

Summary information	Bassendean	Bayswater	Bayswater Proposal 6	Bassendean/ Swan Proposal 2	Minister's Proposal 03/2013
Average residential rate	$1,485	$946	No data	No data	No data
Residential GRV rate in $	0.07315	0.05831	No data	No data	No data
Rates as % of revenue	53.55%	50.97%	No data	No data	No data
Residential rates	N/A	78.8%	No data	No data	No data
Commercial rates	N/A	21.2%	No data	No data	No data
DLGC Financial health check	Reasonable	Strong	No data	No data	No data
Operating Surplus	0.003	0.54	0.423	0.07	0.426
Current ratio 2013 2013	0.67	2.05	1.600	1.40	1.632
WATC Ratio Profile	TBA	TBA	pronounced improvement	significant positive impact	positive impact
WATC Financial Sustainability Score (2010-2013)	45	87	91	85	89
WATC Financial Sustainability Score (2010-2017)	46	70	81	83	77

* Includes commercial GRV properties for Bassendean. Comparable figure for Bayswater is $28,836

Assessment of the City of Bayswater's Proposal 6

against Local Government Advisory Board criteria

Proposal 6 was assessed and recommended by the Board with minor boundary amendments.

From the City of Bayswater proposal:

"The City believes that the proposed expanded Local Government will be well placed to meet the future demands of the population and to continue the high level of service provision currently experienced by residents of the City of Bayswater…. the City will ensure that the new areas that are contained within the new expanded boundary maintain their sense of identity whilst still being afforded the benefits of the level of service currently offered by the City of Bayswater and the additional benefits of economy of scale associated with a larger Local Government."

Community of interest

The Board can see no compelling issues of community of interest in the various localities affected by the proposal to suggest that the amalgamation should not proceed. Both existing local governments share a vision for diversity and vibrancy in lifestyles and local centres; these visions reflect similar community aspirations. The areas are relatively similar in terms of their age, history, demographics and housing and industry mix. The areas share the same transport links to the City, Morley and to Midland. There are extensive interests held in common by the existing councils, including the EMRC, state emergency services, WALGA Zone, natural resource management, JDAP and the Perth Airport Municipalities Group. The capacity of the enlarged local government to engage the community would remain strong.

There is a significant common interest in the strategic centre of Morley which is central to the proposed entity; more of its natural catchment would be within the one local government. There would be some community of interest links between residents of the Banks precincts of the City of Vincent and the Morley activity centre, albeit to a lesser degree. While the proposal splinters off small portions of Menora and Yokine and splits the suburb of Dianella, including the catchment area of the district shopping centre, library and community centre, the impact of these is not so great that the proposed amalgamation and boundary change should not proceed. The areas of Dianella and Inglewood to be excised from Stirling and the inclusion of all of Noranda in the new entity will strengthen communities of interest within the current City of Bayswater. The proposal is consistent with previous proposals to improve the boundaries dating back to the 1950s. The Board is of the view that the Proposal 6 will

not have an adverse impact on the existing communities of interest. It is likely that these communities of interest will develop even stronger links under a single local government. The service needs of specific communities of interest, such as seniors, would be well served.

Physical and topographic features

The Swan River, together with roads such Alexander Drive and Reid Highway are considered by the Board to provide strong boundaries for the proposed local government (although the former will split the suburb of Dianella and small portions of Menora and Yokine; the latter will see all of the locality of Noranda included in the local government). It is noted that where applicable the mid-point of the Swan River is a logical boundary. Internal physical and topographic features do not affect the capacity of the broader community to access services and the strong boundaries would enhance the capacity of the local government to service the community. The proposal will result in logical boundaries based on major arterial roads and the Swan River. Morley is a strategic activity centre and forms a central hub for surrounding areas. The proposed boundary at Summers St, East Perth is somewhat anomalous, although it is common to a number of proposals. The proposed boundaries of Danube Avenue and Bottlebrush Drive, while an improvement, do not necessarily constitute the best possible boundaries in this area. As the proposed MAX light rail from Mirrabooka to the City is planned to run down Alexander Drive, this would make a suitable boundary feature for about seven kilometres of its length.

Demographic trends

The combined populations of the current City of Bayswater and Town of Bassendean will create a better population balance with an aggregate population of approximately 117,000.[69]. There are no compelling points of difference in the demographic details; rather, there are significant similarities in the demographic characteristics of Bassendean and Bayswater. The Board believes the capacity of the local government to service the needs of the growing and changing community, including a significant aged population would be strong, particularly given the current level of effort directed by both current local governments to aged care services. Demographic trends are not considered a major factor in assessing this proposed local government.

[69] Metropolitan Local Government Reform Demographic Analysis, Geografia 2014

Economic factors

With a focus on the strategic activity centre of Morley, the impact of the proposal on economic factors is considered to be positive, reinforcing the capacity of the local government to service a socially and economically diverse community. The new entity will be well positioned to take advantage of the future planning associated with the Morley strategic activity centre. Both current local governments actively support economic development, in support of the EMRC Economic Development Strategy, which could be built upon to facilitate economic growth and investment across the broader local government area. The proposal is consistent with facilitating the objectives of the State Government's *Directions 2031 and Beyond* planning framework. It would be beneficial to have the Bassendean / Bayswater industrial area in a single local government. Improved planning and management of a significant length of Beaufort Street would have economic benefits. The additional infrastructure is balanced by additional revenue capacity, including the Dianella shopping centre and Inglewood shopping strip. The Board believes the proposal creates a more economically robust and diverse entity which is well positioned to meet the challenges and opportunities associated with Morley and its development as a strategic metropolitan centre.

The history of the area

Historical considerations have long been viewed as a minor issue for amalgamations and boundary changes. While history can be created, it can not be changed and the Board has long taken the view that this criterion is not a significant consideration when assessing amalgamation and boundary amendment proposals.

In the Board's view, there are no significant differences in the history of the areas affected by the proposed boundary change to suggest that the proposed boundary change should not proceed. The boundary change might be seen by some as contributing to a loss of history, but that history will fundamentally remain. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history.

The proposal brings together areas with some historical connections. The Town of Bassendean submitted that it is historically connected to Guildford and Midland rather than Morley. While the Bassendean local government was formerly known as West Guildford, the area was formerly part of the Bayswater Road District, and prior to that, the Swan Road District. The proposal reflects numerous previous proposals since the 1950s for similar changes to local government boundaries.

The Stirling and Bassendean local governments both expressed concerns about the future of the heritage values of the areas affected by the proposals by the Board. The Town expressed a concern that a dominant City of Bayswater would discard its Town's strong heritage, but the substantial commitment by the City to heritage is noted. This commitment to heritage, together with the existing controls, provides evidence to the Board of a sound foundation for preserving the heritage values of the broader local government area into the future. This capacity and experience would also extend to maintaining the heritage values of Mount Lawley and Inglewood.

Transport and communication

The Board noted strong transport links between Bayswater and Bassendean, including the railway, Tonkin Highway, Guildford Road, Walter Road and Morley Drive. With the potential for greater integration of transport planning in the area by the larger City of Bayswater, building on the regional Integrated Transport Strategy developed by the EMRC, an amalgamation would offer potential transport benefits to residents and businesses of the area including the potential for improved access to services by the community. Improved planning and coordination of management of Beaufort Street is one possibility. However, the proposed MAX light rail from Mirrabooka to the City is planned to run down Alexander Drive, which forms part of the proposed boundary between the Bayswater and Stirling local governments under this proposal. This may have implications for planning and implementation of the proposed light rail.

Matters affecting the viability of local governments

The proposed amalgamation improves parity compared to existing local governments and will result in a significant benefit for the current Town of Bassendean area. The WATC analysis shows the merged entity is a strong local government in most areas but somewhat unbalanced in some areas such as current ratio and asset renewal ratio which are below benchmark. While these indicate areas of weakness, they are not viewed by the WATC as serious impediments to considering this proposal given the strength of all other ratios and projected financial performance, and the financial situation of the existing local governments.

Given the financial strength of the proposed local government and the potential to address sustainability issues and rationalise some duplicated infrastructure assets, the Board considers the proposal to have a positive outcome on this criterion. The Board notes the impact of the proposal on Stirling, but the longer term viability of the City of Stirling is not considered to be significantly affected by the proposed transfer of suburbs out of the City, which are primarily residential in character with relatively limited

commercial development (notable exceptions being Dianella Plaza and the Mt Lawley and Inglewood precincts).

The effective delivery of local government services

The effective delivery of local government services would be maintained and potentially enhanced by the proposed local government, which would have the capacity and resources to deliver services at least to a comparable standard to those currently provided. The areas being added to the expanded City of Bayswater local government have the potential to benefit from enhanced services. Residents of Bassendean could potentially benefit, for example, from access to the additional aged accommodation options to be developed at Mertome as well as enhanced security services. Residents from Stirling would benefit, for example, from more comprehensive waste collection services,[70] although the split of the suburb of Dianella may result in some inequity in service delivery within that suburb. Expertise in foreshore management could be consolidated. There is the potential for operational benefits from the operations from a single depot.

The local government would be relatively compact in terms of its size and the geographical spread of the population. The capacity of the local government to service the community would be strong. The proposal is consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community. Major projects identified in community plans could proceed, while capacity to undertake some projects such as the Morley City Centre and Mertome Redevelopment would be enhanced. While additional infrastructure (such as an aquatic centre) would be picked up by the local government, there would also be additional revenue capacity. The Board considers that the proposal would result in a larger City of Bayswater with greater resources and enhanced capacity to deliver a more diverse range of services.

[70] At the time of writing, a decision of the City of Stirling to introduce a three bin waste collection service was noted by the Board.

Assessment of the City of Swan and Town of Bassendean's Proposal 2

against Local Government Advisory Board criteria

Proposal was assessed and rejected by the Board.

From the City of Swan / Town of Bassendean proposal:

"This proposal supports the intentions that new local governments will have the scale and capacity to deal with rapid population growth, ensuring that communities of interest are maintained and supported, and that the established built and natural features will continue to be accommodated in the new LGA."

The City of Swan no longer supports this proposal, supporting the Minister's proposal 04/2013 as a boundary adjustment between Swan and Mundaring with no effect on Bassendean. The Town of Bassendean withdrew from the local implementation committee (LIC) as it saw no point in continuing given the City's position. Noting the above positions of the local governments, the Board still conducted the Inquiry and assessed Proposal 2 against its prescribed criteria.

Community of interest

There are no compelling issues of community of interest in the various localities affected by the proposed amalgamation to suggest that it should not proceed. There are strong links between the Swan and Mundaring communities, with Mundaring residents relying on Midland for health, education, retail or other commercial services. Many Mundaring residents also travel to Swan for their employment. There are also strong transport linkages connecting the communities and the same transport links to the City. There are a number of local government interests in common, including the EMRC, WALGA Zone and the Perth Airport Municipalities Group. The existing local governments share a vision for sense of community, place and belonging. These visions reflect similar community aspirations. The capacity of the local government to engage the community would remain strong with an amalgamation. The service needs of specific communities of interest, such as seniors, would be well served.

Bassendean has some community of interest links with Midland, but these are probably not as strong as those between Mundaring and Swan. While the Town of Bassendean expressed a preference to amalgamate with the City of Swan, and there are some community of interest linkages between Bassendean and Midland, the Board has concluded that on balance there are greater community of interest linkages with Bayswater and Morley. The Bayswater suburb community of interest would be split by

the proposed boundary (noting it is already split by the Tonkin Highway). The Board's view was that on this criterion this proposal was less preferred than the City of Bayswater's Proposal 6.

Physical and topographic features

The most significant physical and topographic features are the Swan coastal plain, Swan River, Darling Scarp and Darling Range. The Swan Valley is at the heart of the current City of Swan and is thus not a significant boundary feature. The Darling Scarp is not a significant boundary feature either, in that Swan and to a lesser degree Mundaring, all have suburbs and localities that span both foothills, scarp and hills locations.

The Swan River, together with major arterial roads such as Reid and Tonkin Highway, provide logical boundaries for the proposed local government (although the latter will split the suburb and local government area of Bayswater). The proposal follows existing local government boundaries to a large degree. It is noted that where applicable the mid-point of the Swan River is a logical boundary. Internal physical and topographic features do not affect the capacity of the broader community to access services and the strong boundaries would enhance the capacity of the local government to service the community. The proposal would address some of the current illogicality in the boundaries between Swan and Mundaring in the Koongamia and Midvale areas. While a feature like Tonkin Highway would otherwise be a suitable boundary feature, the Board believes this would place the boundary too close to the Morley strategic activity centre and this is undesirable in the context of the importance of the strategic centres in the new local government structure.

Demographic trends

The Board noted no compelling points of difference in the demographic details of the localities affected by the proposed amalgamation. The capacity of the local government to service the needs of the growing and changing community, including a significant aged population would be strong, particularly given the current level of effort directed by the local governments to aged services. The capacity to respond to a significant service population comprised of workers and visitors would also be strong. The City of Swan's scale and capacity to deal with rapid population growth would be retained and enhanced. The combined local governments would have an aggregate population of

approximately 200,000, potentially rising to 320,000 in 2050.[71] This would make it perhaps the second largest local government in the metropolitan area at 2050.

Economic factors

With a focus on the strategic activity centre of Midland, the impact of the proposed amalgamation on economic factors is considered by the Board to be positive, as it reinforces the capacity of the local government to service a socially and economically diverse community. Existing local governments actively support economic development, in line with the EMRC's Economic Development Strategy, which could be built upon to facilitate economic growth and investment across the broader Swan-Mundaring-Bassendean district. The proposal is consistent with facilitating the objectives of the State Government's *Directions 2031 and Beyond* planning framework for the development of strategic activity centres. There are strong economic linkages, and the strength and commonality of economic factors is a positive dimension for the proposed amalgamation.

The proposal creates a more economically robust and diverse entity which is well positioned to meet the challenges and opportunities associated with Midland and its development as a strategic metropolitan centre. The Bassendean – Bayswater industrial area (Ashfield) would still be split by Tonkin Highway. The use of the Tonkin Highway as a boundary would fragment future planning around the Morley strategic activity centre.

The history of the area

There are no significant differences in the history of the areas affected by the proposed amalgamation to suggest that it should not proceed. The proposal brings together areas with some historical connections. The Town submitted that it is historically connected to Guildford and Midland rather than Morley. The amalgamation might be seen by some as contributing to a loss of history, but that history will fundamentally remain. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. In the Board's view, there are no significant differences in the history of the areas to suggest that the proposed amalgamation should not proceed. The history of particular communities and local governments would not be lost. The history of the area is not considered a major factor in assessing this proposal.

[71] Metropolitan Local Government Reform Demographic Analysis, Geografia 2014

Transport and communication

The area is pivotal for major transport routes, and significant new developments are likely in the future including a proposed Perth Darwin highway and future railway line to Ellenbrook. Given the important transport linkages that traverse the area, more effective transport planning in the region is critical for local and regional residents and business.

There are strong transport links between Swan, Mundaring and Bassendean, including the railway, Guildford Road and Great Eastern Highway. With the potential for greater integration of transport planning in this area, building on the regional Integrated Transport Strategy developed by the EMRC, the Board believes an amalgamation would offer transport benefits to residents and businesses of the area including the potential for improved access to services by the community. Midland is a strategic metropolitan centre and is an important transport hub for all modes of transport.

Matters affecting the viability of local governments

The Board has concluded the proposed amalgamation improves parity compared to existing local governments and would result in increased financial sustainability and a significant benefit for the current Town of Bassendean and Shire of Mundaring areas without detriment to the City of Swan. The WATC analysis shows the merged entity would be a strong local government in most areas but below benchmark for the current ratio for the 2010-2017 period. The proposal results in a merged entity that clearly assists in reducing the differential between surrounding local governments.

Given the financial strength of the proposed local government, and the potential to address sustainability issues and rationalise some duplicated infrastructure assets, the proposal is considered by the Board to have a positive outcome on this criterion. The local government would also have an increased capacity to partner with and advocate and lobby Commonwealth and State governments for funding for priority projects and services. A major issue however concerns the prospects for the remaining portion of Bayswater given that this proposal would absorb 16% of Bayswater’s population and 14.6% of revenue.

The effective delivery of local government services

The Board believes that the effective delivery of local government services would be maintained and potentially enhanced by the proposed local government, which would have the capacity and resources to deliver services at least to a comparable standard to those currently provided by the City of Swan. The proposal is consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing

demands of the community. Major projects identified in community plans could proceed, while capacity to undertake some projects would be enhanced. Residents of Bassendean would potentially benefit from access to a wider range of services. The proposal would result in a larger City of Swan with greater resources and the capacity to deliver a more diverse range of services.

The proposed local government would be the largest in area with a significant spread of population. This need not be an impediment to effective service delivery, since the current City and Shire already deal with dispersed settlements. As a large local government, in terms of population, it would have the potential to attract the highest calibre management and staff expertise. The capacity of the local government to service the community would be strong.

Assessment of the Minister's Proposal 03/2013

against Local Government Advisory Board criteria

Proposal 03/2013 was assessed and rejected by the Board.

From the Minister's proposal 03/2013:

"The proposal, if implemented, would create a stronger local government, with an increased capacity to provide the best possible services to residents in the enlarged district and with the maximum efficiency. There would be a significant opportunity to reduce administrative duplication and generate significant long-term savings due to economies of scale, and rationalisation of management and administrative support staff. Through co-ordinated long term planning there would be opportunities to rationalise assets and the provision of services, for the benefit of residents and businesses across the whole of the enlarged district of the City of Bayswater."

Community of interest

The Board sees no compelling issues that would adversely impact community of interest in the various localities affected by the proposal to suggest that the boundary change should not proceed. The existing Bassendean community of interest would be brought into the new local government intact. Both existing local governments share a vision for diversity and vibrancy in lifestyles and local centres; these visions reflect similar community aspirations. The areas are relatively similar in terms of their age, history, demographics and housing and industry mix. The areas share the same transport links to the City, Morley and to Midland. There are extensive interests held in common by the existing councils, including the EMRC, JDAP, WALGA Zone, Perth Airport Municipalities Group and natural resource management. The capacity of the local government to engage the community would remain strong.

The strategic centre of Morley, central to the proposed entity, is a significant common focus for local residents. There would be some community of interest links between residents of the Banks precinct of the City of Vincent and the Morley activity centre, albeit to a lesser degree. While the proposal splits the suburb of Dianella, including the catchment area of the district shopping centre, library and community centre, the impact of this is not so great that the proposed amalgamation and boundary change should not proceed. The proposal will also result in the splitting of Inglewood although the residential area will remain intact within the new entity. The residential sections of Dianella and Inglewood to be excised from Stirling and the inclusion of all of Noranda in the new entity will strengthen communities of interest within the current City of Bayswater. The service needs of specific communities of interest, such as seniors,

would be well served. The area has been subject to a number of previous proposals dating back to 1952 to improve the current boundaries.

The Board is of the view that proposal will not have an adverse impact on the existing communities of interest as they will largely be contained within the new entity. It is likely that these communities of interest will develop even stronger links under a single local government.

Physical and topographic features

The Board notes that the Swan River, together with major arterial roads such Alexander Drive and Reid Highway, provide strong logical boundaries for the proposed local government (although the former will split the suburb of Dianella, and the latter will see all of the locality of Noranda included in the local government). It is noted that where applicable the mid-point of the Swan River is a logical boundary. Internal physical and topographic features do not affect the capacity of the broader community to access services and the strong boundaries would enhance the capacity of the local government to service the community. The proposed boundary at Summers St, East Perth is somewhat anomalous, although it is common to a number of proposals. As the proposed MAX light rail from Mirrabooka to the City is planned to run down Alexander Drive, this would in future strengthen its suitability as a district boundary.

Demographic trends

The combined populations of the current City of Bayswater and Town of Bassendean will create a better population balance, with an aggregate population of approximately 107,000,[72] which compares favourably with the current metropolitan demographic categories. There are significant similarities in the demographic characteristics of Bassendean and Bayswater. There are no compelling points of difference in the demographic details of the localities affected by the proposed amalgamation. The Board believes the capacity of the local government to service the needs of the growing and changing community, including a significant aged population would be strong, particularly given the current level of effort directed by both current local governments to aged care services. Demographic trends are not considered a major factor in assessing this proposed local government.

[72] Metropolitan Local Government Reform Demographic Analysis, Geografia 2014

Economic factors

With a focus on the strategic activity centre of Morley which is central to the proposed entity, the impact of the proposal on economic factors is considered to be positive, reinforcing the capacity of the local government to service a socially and economically diverse community. The new entity will be well positioned to take advantage of the future planning associated with the ongoing development of the Morley strategic activity centre. Both current local governments actively support economic development, in support of the EMRC Economic Development Strategy, which could be built upon to facilitate economic growth and investment across the broader area. The proposal is consistent with facilitating the objectives of the State Government's *Directions 2031 and Beyond* planning framework. The Bassendean – Bayswater industrial area (Ashfield) would benefit from being within one local government area, and the local government would receive an additional rating boost from the inclusion of the Dianella Plaza shopping centre. The proposal will further enhance the already diverse range of business activity, as well provide potential for improved and more coordinated management of Beaufort Street from Central Avenue. The Board believes the proposal would create a more economically robust and diverse entity which is well positioned to meet the challenges and opportunities associated with Morley and its development as a strategic metropolitan centre.

The history of the area

There are no significant differences in the history of the areas affected by the proposed boundary change to suggest that the proposed boundary change should not proceed. The boundary change might be seen by some as contributing to a loss of history, but that history will fundamentally remain. The proposal brings together areas with some historical connections. The Town submitted that it is historically connected to Guildford and Midland rather than Morley. While the Bassendean local government was formerly known as West Guildford, the area was formerly part of the Bayswater Road District, and prior to that, the Swan Road District. The proposal reflects numerous previous proposals since the 1950s for similar changes to local government boundaries.

The Town expressed a concern that a dominant City of Bayswater would discard the Town's strong heritage, but a substantial commitment by the City to heritage is noted by the Board. This commitment to heritage, together with the existing controls, provides evidence to the Board of a sound foundation for preserving the heritage values of the broader local government area into the future. This capacity and experience would also extend to maintaining the heritage values of Mount Lawley and Inglewood.

Transport and communication

The Board notes there are strong transport links between Bayswater and Bassendean, including the railway, Tonkin Highway, Guildford Road, Walter Road and Morley Drive. With the potential for greater integration of transport planning in the area by the larger City of Bayswater, building on the regional Integrated Transport Strategy developed by the EMRC, an amalgamation or boundary change would offer potential transport benefits to residents and businesses of the area including the potential for improved access to services by the community. However, the proposed MAX light rail from Mirrabooka to the City is planned to run down Alexander Drive, which forms part of the proposed boundary between the Bayswater and Stirling local governments under this proposal. This may have implications for planning and implementation of the proposed light rail.

Matters affecting the viability of local governments

The proposed amalgamation improves parity compared to existing local governments and will result in a significant benefit for the current Town of Bassendean area without detriment to the City of Bayswater area. The WATC analysis shows the merged entity is a strong local government in most areas but somewhat unbalanced in some areas such as current ratio, operating surplus ratio and asset renewal ratio which are below benchmark. While these indicate areas of noticeable weakness, they are not currently viewed by the WATC as serious impediments to considering this proposal given the strength of all other ratios and projected financial performance, and the financial situation of the existing local governments.

Given the financial strength of the proposed local government, and the potential to address sustainability issues and rationalise some duplicated infrastructure assets, the proposal is considered to have a positive outcome on this criterion. The proposal has a slight negative impact on Stirling (a potential $3 million shortfall), but the longer term viability of the City of Stirling is not considered to be significantly affected by the proposed transfer of suburbs out of the City, which are primarily residential in character with relatively limited commercial development, notable exceptions being Dianella Plaza and the Beaufort Street precinct in Inglewood.

The effective delivery of local government services

The effective delivery of local government services would be maintained and potentially enhanced by the proposed local government, which would have the capacity and resources to deliver services at least to a comparable standard to those currently provided. The areas being added to the Morley focused local government have the

potential to benefit from enhanced services. Residents of Bassendean would potentially benefit, for example, from access to the additional aged accommodation options to be developed at Mertome as well as enhanced security services. Residents from Stirling would benefit, for example from a more comprehensive waste collection service, [73]although the split of the suburb of Dianella may result in some inequity in service delivery within that suburb. Expertise in foreshore management could be consolidated. There are potential benefits from operating a single depot.

The local government would be relatively compact in terms of its size and the geographical spread of the population. As a relatively large local government, in terms of population, the potential capacity to service the community would be strong. The proposal is consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community. Major projects identified in community plans could proceed, while capacity to undertake some projects such as the Morley City Centre and Mertome Redevelopment would be enhanced. The Board considers that the proposal would result in a larger City of Bayswater with greater resources and enhanced capacity to deliver a more diverse range of services.

[73] At the time of writing, a decision of the City of Stirling to introduce a three bin waste collection service was noted by the Board.

Review and recommendations

There is considerable common ground in the Minister's proposal 3/2013 and the City of Bayswater proposal 6, in that both would merge the Town of Bassendean with the City of Bayswater. The Town of Bassendean proposal is a contrary proposal for a merger with the City of Swan. The City of Bayswater proposal would include portions of territory from Stirling and Vincent, but neither local government proposes ceding any territory to the City of Bayswater. The City of Vincent does not wish to see the Banks precinct (being a small part of Mount Lawley and East Perth) ceded to the City of Bayswater.

As noted, the Minister's proposal 3/2013 is similar to the Bayswater proposal, in that the proposals are both largely combinations of the two local governments and a boundary adjustment in Noranda and Inglewood and Dianella, but with the main difference being in the different treatment of Mount Lawley in the Minister's proposal. The Minister's proposal and Bayswater proposal both propose a boundary amendment rather than an amalgamation. The Minister's proposal does not take into account transferring small portions of Kiara and Beechboro from the City of Swan.

Given the similarities of the Bayswater and Minister's proposal 3/2013, it is not unexpected that they have been assessed similarly by the Board. In the Board's findings, both proposals would create a larger and more sustainable entity with a more viable population and rate base. After completing its Inquiries the Board considers that all proposals have the potential to generate positive outcomes. While the financial sustainability scores are high for the proposals, the Board has assessed the City of Bayswater proposal as the Board's preferred proposal. It was also considered by the Board to be a more locally focused approach, reflecting local government preferences rather than the Minister's.

The Board considered that the City of Bayswater proposal 6 as presented was closest to the 'best' local government boundaries for this area. Proposal 6 stood out as being the best in terms of creating a more economically robust and diverse entity able to maintain local heritage values, strong financial sustainability scores and financial strength with the potential to address sustainability issues, the capacity to effectively service the needs of the growing and changing community including a significant aged population and the strong community of interest links including the focus on the Morley strategic centre; Residents would benefit from better service offerings from a larger City with greater resources and enhanced capacity to deliver a more diverse range of services

In completing the Inquiries the Board finds that the Bayswater proposal as presented was closest to the 'best' local government boundaries for this area. Further, the Board has further adjusted the boundaries by:

- Retention of the Banks precinct in the City of Vincent.
- Transferring land bounded by Ellesmere Street, Mitchell Street, Stanley Street and Guildford Road to the City of Vincent (Figure 10).
- Adopting a boundary of Tonkin Highway, Benara Road, Altone Road, and Morley Drive in the north east quadrant of the proposed entity. This transfers some territory to and from the City of Swan and forms a more logical boundary (Figure 11).

Figure 10 - Transfer of Ellesmere Road from the City of Bayswater to the City of Perth

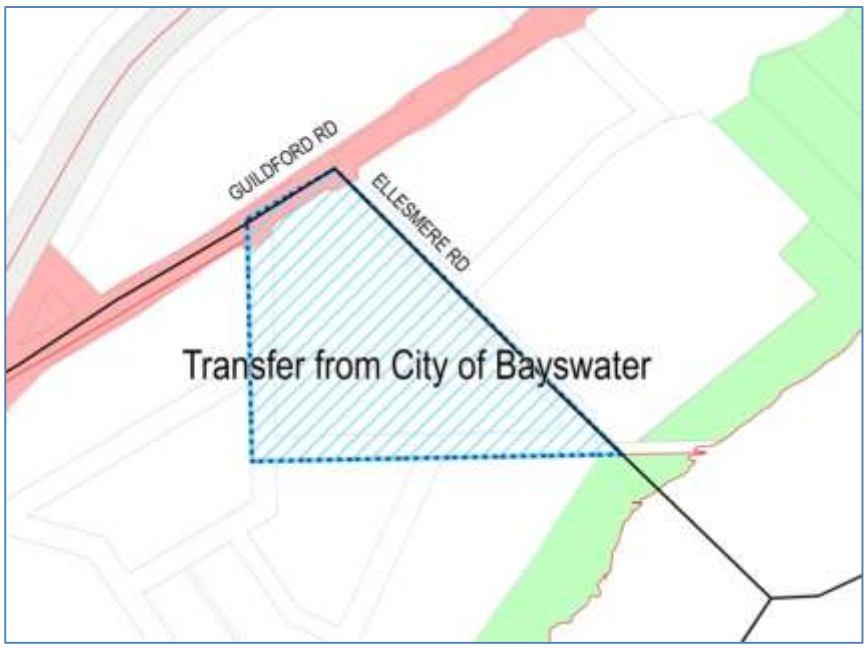
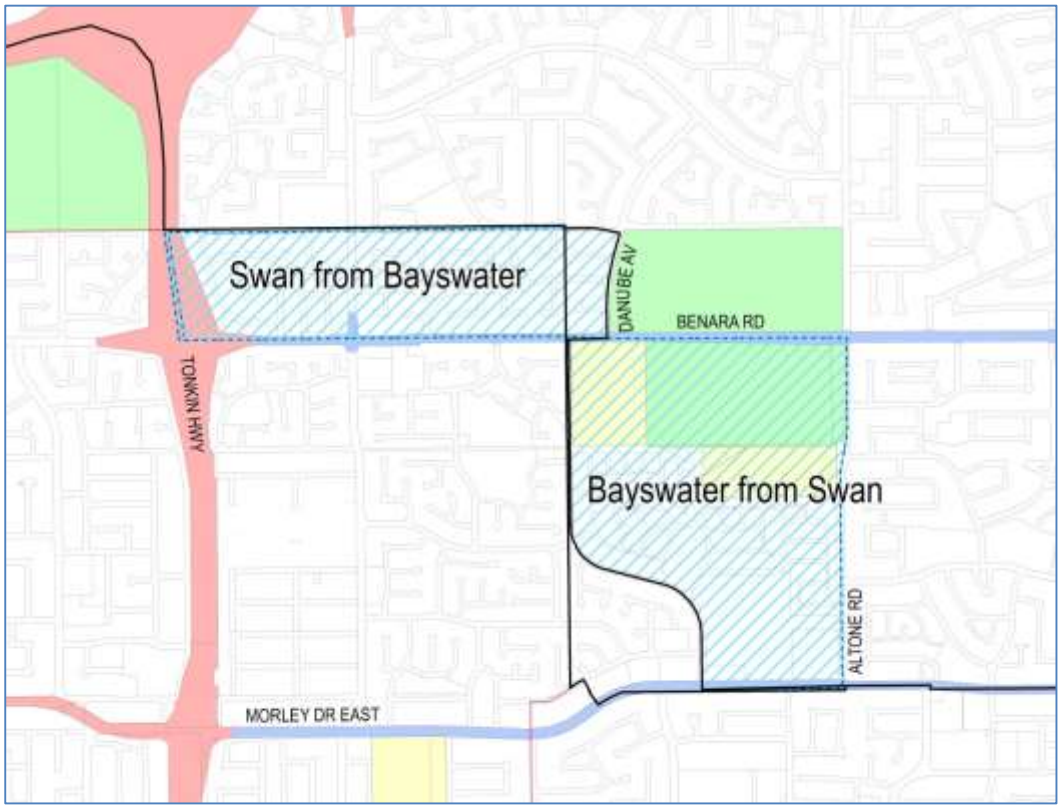


Figure 11 - Transfers to and from the City of Bayswater and the City of Swan



The Board has deemed these changes to be ‘minor’ amendments to the City of Bayswater proposal (and also eliminates some current situations where the boundary follows the back or side of residential properties).

The consolidation of local governments would be considered a positive for the development of the Morley strategic metropolitan centre. A regional benefit derives from having fewer local governments in the Perth region, with flow on effects expected for residents and ratepayers generally, as well as the regional economy and regional environment. The local benefits to residents and ratepayers are expected to include lower administration costs and better services; services are not expected to be reduced or diminished in scope. It is anticipated that the enlarged council would be better placed to lobby for increased funding levels from State and Federal Government. The ratio of elected members per elector will likely increase so there may be a concern among electors that there will be less access to elected representatives; a place management approach or similar may go some way to addressing this concern.

The Board acknowledges that comprehensive change management and implementation oversight is crucial to effectively manage the boundary adjustment; however that the financial and planning benefits of consolidation would offset these challenges. The savings generated by streamlining administration and governance

processes and removing duplicated contracts could be realised in the short term and savings reinvested into the community.

Ward Structures

The City of Bayswater support a five ward structure and the Town of Bassendean propose a four ward structure.

The Board acknowledged that there was not agreement by the affected local governments on a ward structure. The Board's view is that a whole of district approach will enable the merged local government to consider the needs of discrete communities within the larger local government and to ensure equitable access to representation. The Board supports the view that equitable representation and engendering a whole of council approach is enhanced by a district ward structure The Board therefore recommends that the merged entity operate under a district ward structure.

Representation

The City of Bayswater proposed representation of 14 offices of councillors and the Town of Bassendean proposed representation of 12 offices of councillor.

The Board acknowledges that there is not an agreed position between the City of Bayswater and Town of Bassendean regarding representation. The Board therefore recommends that the council of the merged local government comprise 14 offices of councillor to represent the enlarged local government.

The Board notes that the City of Bayswater's existing 11 councillors will be retained and will continue to represent the enlarged local government leading up to the 2015 local government elections. All offices of councillor of the Town of Bassendean will be disestablished on 30 June 2015.

Offices of councillor at the City of Bayswater with terms expiring in the 2017 will see out their terms. Offices of councillor at the City of Bayswater expiring in 2015, and the new councillor positions will be contested at the October 2015 local government elections.

Name of the new local government

Under the boundary adjustment the City of Bayswater's corporate name and designation area will be retained for the merged local government. Should the merged local government seek to amend its name at a later date, it can do so under Schedule 2.2 clause 5(c) of the Act.

Recommendations

1. **The Local Government Advisory Board after formally inquiring into the proposal identified as Proposal 2 recommends pursuant to clause 6 (1)(a) of Schedule 2.1 of the *Local Government Act 1995* that the Minister for Local Government reject the proposal.**

2. **The Local Government Advisory Board after formally inquiring into the proposal identified as Proposal 03/2013 recommends pursuant to clause 6 (1)(a) of Schedule 2.1 of the *Local Government Act 1995* that the Minister for Local Government reject the proposal.**

Proposal 6 (Bayswater/Bassendean)

The Local Government Advisory Board (the Board) recommends to the Minister:

1. pursuant to clause 6 (1) (b) of Schedule 2.1 to the *Local Government Act 1995* (Act), that an order be made, under section 2.1 (1) (d) of the Act:

(a) abolishing the district of the Town of Bassendean;

[see Act s2.1 (1) (c)]

(c) changing the boundaries of the district of the City of Bayswater to reflect those shown in Section 1.4 of the Appendices.

[see Act s2.1 (1) (b)]

2. pursuant to clause 10A (1) (a) of Schedule 2.1 to the Act, that:

(a) an order be made, under section 2.2 (1) (d) of the Act, abolishing all of the wards into which the district of the City of Bayswater is divided;

(b) an order be made, under section 2.18 (3) (a) of the Act, changing the number of offices of councillor on the council for the district of the City of Bayswater to 14 offices.

6.4 Inquiries into proposals affecting the Shire of Mundaring and the City of Swan

Overview of relevant proposals

This section presents the findings of the Board's Inquiries into proposals affecting the City of Swan and Shire of Mundaring.

Primary:

1. Shire of Mundaring proposal: Amalgamation with City of Swan with transfers to City of Bayswater and City of Belmont.

2. City of Swan / Town of Bassendean proposal: Amalgamation of Swan, Bassendean and Mundaring with transfers to and from City of Bayswater and to City of Belmont.

04/2013 Minister's Proposal: City of Swan boundary amendment with the Shire of Mundaring, with transfers to City of Bayswater and City of Belmont.

Secondary:

03/2013 Minister's Proposal: City of Bayswater boundary amendment with inclusion of Bassendean and areas from Cities of Stirling, Swan and Vincent. (For recommendation see Section 6.3)

05/2013 Minister's Proposal: City of Belmont boundary change with the Shire of Kalamunda, with additions from the City of Swan and the City of Canning. (For recommendation see Section 6.5)

6. City of Bayswater proposal: A boundary amendment incorporating Bassendean into Bayswater, with inclusions from City of Stirling and City of Vincent and inclusion of part Noranda, Kiara and Beechboro from City of Swan. (For recommendation see Section 6.3)

8. City of Belmont proposal: Boundary change with the Shire of Kalamunda, with additions from the City of Swan and the City of Canning. (For recommendation see Section 6.5)

15. Shire of Kalamunda proposal 1: Amalgamation with the City of Belmont, with additions from the City of Swan and the City of Canning. (For recommendation see Section 6.5)

25. Shire of Kalamunda proposal 2: Boundary change with the City of Belmont and Shire of Kalamunda, with additions from the City of Swan. (For recommendation see Section 6.5)

Table 55 - Proposals to Local Government Advisory Board affecting the Shire of Mundaring and the City of Swan

Proposal number	Proposal name	Population estimate	Revenue estimate
1	Shire of Mundaring proposal	145,000	$174m
2	City of Swan / Town of Bassendean proposal	184,000	$223.5m
6	City of Bayswater proposal	103,000	Not stated
8	City of Belmont proposal	100,000	Not stated
15	Shire of Kalamunda proposal (1)	Not stated	Not stated
25	Shire of Kalamunda proposal (2)	Not stated	Not stated
03/2013	Minister's Proposal – City of Bayswater and Town of Bassendean	97,000	$98m
04/2013	Minister's Proposal – City of Swan and Shire of Mundaring	149,600	$156.4m
05/2013	Minister's Proposal – City of Belmont and Shire of Kalamunda	91,900	$101.6m

The City of Swan submission suggests the current population (2013) under the Shire of Mundaring proposal is 160,000.

Context

This north-eastern quadrant of the Perth metropolitan area is a region of diversity ranging from Bullsbrook in the north, Mundaring with its hills villages to the east, built up areas in the foothills surrounding Midland such as Swan View, and the heritage precinct of Guildford. The area includes significant rural zones, as well as areas of national parks, water catchments and the upper reaches of the Swan and lower Helena river systems. The Swan Valley area is protected by the *Swan Valley Planning Act 1995*. The proposed local government of a merged Swan and Mundaring brings together the strong Swan Valley and hills regional community of interest, centred on the strategic regional centre of Midland. As a significant retail and commercial centre, Midland's primary and secondary catchments includes the Swan Valley and eastern hills. The Shire of Mundaring is predominantly state forest and water catchment, but contains significant residential areas and townsites. Together, the two local governments in the

north-eastern quadrant account for more than one-quarter of the Perth metropolitan area, and about 10% or the region's population.

1. Shire of Mundaring proposal

The Shire of Mundaring proposal is for an amalgamation with the City of Swan, while ceding a small portion of the localities of Noranda, Perth Airport, South Guildford and Hazelmere from the City of Swan to adjacent authorities**.**

2. City of Swan / Town of Bassendean proposal

The City of Swan / Town of Bassendean proposal involves an amalgamation and a boundary change. It would amalgamate the whole of the districts of the Town of Bassendean and the Shire of Mundaring with virtually the whole district of the City of Swan. It also cedes that portion of Noranda in the City of Swan to the City of Bayswater, and areas of land surrounding Perth Airport to the south of the Great Eastern Highway Bypass in the localities of Perth Airport, Hazelmere and South Guildford to the City of Belmont. This variation results in all land owned by Perth Airport being located within the boundaries of one local government area. It also proposes incorporating a portion of the City of Bayswater east of Tonkin Highway, being parts of the localities of Morley, Embleton and Bayswater. The proposal notes that "the Tonkin Highway forms one of Perth's major transport corridors and as such is included in the Gateway WA project that will see its expansion to six lanes and include several grade separated interchanges within the next five years." The new local government authority resulting from this proposal will cover an area of 1689km^2, covering almost one third (31.7%) of the entire metropolitan area (5,350km^2)[74].

6. City of Bayswater proposal

The City of Bayswater proposal would create a larger City of Bayswater, incorporate all of the Town of Bassendean, a portion of the City of Swan (parts of Noranda, Kiara and Beechboro), and a portion of the City of Stirling. The City of Bayswater's preferred option is 'consistent with the State's proposal (July 2013), with minor boundary amendments [Kiara and Beechboro], to create improved legibility of the expanded local government'. This minor amendment would relocate the boundary to road reserve rather than the existing situation that incorporates a mixture of road reserves and the rear or side boundary of some residential lots.

[74] The City of Swan no longer supports this proposal, and supports Minister's Proposal 4/2013 instead.

8. City of Belmont proposal

The City of Belmont proposal is to incorporate into the City of Belmont by boundary change the whole of the district of the Shire of Kalamunda and a small portion of the localities of Perth Airport, South Guildford and Hazelmere from the City of Swan, and a part of the industrial locality of Welshpool in the City of Canning.

15. Shire of Kalamunda proposal 1

The Shire of Kalamunda proposal 1 is for an amalgamation of the City of Belmont and Shire of Kalamunda, with the addition of a small portion of localities of Perth Airport, South Guildford and Hazelmere from the City of Swan, and Welshpool from the City of Canning.

25. Shire of Kalamunda proposal 2

This proposal differs to the above in that it proposes a boundary change rather than an amalgamation to incorporate into the Shire of Kalamunda by boundary change the whole of the district of the City of Belmont, and without the addition of Welshpool from the City of Canning.

04/2013. Minister's Proposal 4/2013

This proposal would incorporate the Shire of Mundaring into the City of Swan through a boundary change, with transfer of portion of the locality of Noranda to the City of Bayswater, and portions of the localities of Perth Airport and Hazelmere to the City of Belmont.

03/2013. Minister's Proposal 3/2013

The proposal is for a boundary adjustment whereby the City of Bayswater incorporates the Town of Bassendean, with the addition of part of Noranda from the City of Swan, the addition of parts of Dianella and Inglewood from the City of Stirling, and the addition of a portion of the localities of Mount Lawley and East Perth from the City of Vincent.

05/2013. Minister's Proposal

The proposal is for a boundary adjustment whereby the City of Belmont would incorporate the Shire of Kalamunda by boundary change, with the addition of a small portion of the localities of Perth Airport, South Guildford and Hazelmere from the City of Swan, and Welshpool from the City of Canning.

Common elements and points of difference of the proposals

The Minister's proposal and the Shire of Mundaring proposal for the merging of the local governments of Swan and Mundaring are identical, in respect of the boundaries, but differ in the proposed form of execution, as a boundary change or amalgamation. The City of Swan proposal is different, in that it also includes the Town of Bassendean and part of the City of Bayswater.

There is agreement across all proposals that that portion of the locality of Noranda in the City of Swan should be transferred to the City of Bayswater. There is also agreement that the boundaries around Perth Airport be amended so that all land owned by Perth Airport would be within the boundaries of a single local government.

Current Situation

Table 56 - Vital Statistics for the Shire of Mundaring, City of Swan and Town of Bassendean

Vital statistics	Mundaring	Swan	Bassendean	Total (Mundaring, Swan, Bassendean)	Total (Mundaring, Swan)
Area (land) (sq km)	643.3	1,043.2	11	1,697.5	1,686.5
Population (2013)	39,796	124,782	15,923	180,501	164,578
Average annual growth 2007/2012	1.2%	3.6%	1.90%	2.90%	2.80%
Population density (per sq.km.)	61.9	119.6	1539.3	106.3	97.6
Dwellings	13,855	44,309	6,389	64,553	58,164
Value of building activity *$m	N/A	$996m	N/A	N/A	N/A
Length of sealed roads (km)	603	1,358	95	2,056	1,961
No. Employees	185.34	576.81	98.1	860.25	762.15
Residents per employee	211	207	158	202	208
Total rate revenue ($)*	$23,969,512	$90,887,940	$10,707,533	$125,564,985	$114,857,452
Total operating revenue ($)*	$39,587,714	$133,747,680	$19,995,067	$193,330,461	$173,335,394
Total operating expenditure ($)*	$45,896,934	$124,033,400	$21,853,421	$191,783,755	$169,930,334

Vital statistics	Mundaring	Swan	Bassendean	Total (Mundaring, Swan, Bassendean)	Total (Mundaring, Swan)
Total rate revenue per capita ($)	$613	$513	$689	$513	$689
Total operating revenue per capita ($)	$1,012	$1,007	$1,286	$1,007	$1,286
Total operating expenditure per capita ($)	$1,173	$1,000	$1,406	$1,000	$1,406
Average residential rate per assessment 2012/13	$1,327	$1,110	$1,485	No data	No data

Source: various, including ABS and information returns to WA Local Government Grants Commission *Based on 2013-14 annual budget

Historical background and local government boundary changes

The original inhabitants of the Swan Valley and hills area were the Noongar Aboriginal people. Since the formation of the initial Swan Road District and Municipality of Guildford in 1871, there have been some changes to local government arrangements to this area. The present Shire of Mundaring has its origins in the Greenmount Road District (renamed Mundaring in 1934), which separated from the Swan Road District in 1903. Local government boundaries have remained relatively stable in the Perth metropolitan area in the last 100 years or so, giving rise to a number of boundary reviews, which have made recommendations affecting Swan and Mundaring. The Municipality of Guildford merged with the Swan Road District in 1960 and the Town of Midland merged with the Shire of Swan – Guildford in 1970 to form the Shire of Swan. The City of Swan submission points out that it has a history of successful amalgamations.

Proposals previously considered by the Local Government Advisory Board

The Board has not considered any proposals for boundary adjustments affecting these local governments.

Regional cooperation and resource sharing

The City of Swan, Shire of Mundaring and Town of Bassendean are members of the East metropolitan zone of WALGA and the Metropolitan Regional Road Group (26 other members) and are signatories to the Metropolitan North and East Recovery Group Partnering Agreement on mutual aid in emergency response. Swan, Mundaring and Bassendean are also members of the Perth Airport Municipalities Group along with 10 other local governments. Most significantly, the City of Swan, Shire of Mundaring and Town of Bassendean are members of the Eastern Metropolitan Regional Council. The local governments have separate LEMCs but are all members of the East Metropolitan DEMC and are both signatories to the Metropolitan North and East Recovery Group Partnering Agreement on mutual aid in emergency response. Both Swan and Mundaring have multiple volunteer fire brigade units which cooperate in incident response.

Demographic Characteristics and Trends

Population growth in Swan is at a significantly higher rate than for metropolitan Perth as a whole; Mundaring's rate of growth is expected to be slightly lower than metropolitan Perth (Table 3). Population growth is expected through greenfields developments and infill and redevelopment, particularly around the Midland strategic centre.

Table 57 - Local government populations 2006 to 2026

Local Government	Estimated Population	Projected Population*						
	2006	2011	2016	% Growth from 2011	2021	% Growth from 2011	2026	% Growth from 2011
Mundaring	36,629	37,719	40,303	6.9%	43,773	16.1%	47,239	25.2%
Swan	97,445	113,369	133,779	18.0%	157,213	38.7%	178,713	57.6%
Bassendean	14,200	14,800	15,200	2.7%	15,600	5.4%	15,900	7.4%
Metro Perth	1,522,500	1,752,500	1,939,500	10.7%	2,105,700	20.2%	2,276,900	29.9%

*Source: Western Australian Planning Commission (2012) WA Tomorrow (Band C projections) for existing local governments. http://www.planning.wa.gov.au/dop_pub_pdf/PlanningSummary.pdf

During the course of its Inquiries the Board considered detailed demographic information, drawing on the analysis it commissioned by Geografia.[75] Data from the 2011 Census reveals some similarities between the demographics of these adjoining local governments. The area has a higher proportion of children aged under 14 years than the Perth metropolitan area, and Swan in particular has a relatively young population with higher proportions of the population constituting young family formations (young children and parents aged 25-40 years). Mundaring has a higher proportion of adults aged 35 to 70 years. There is a slightly lower proportion of the population in older age group of 75 years and above compared to the total Perth metropolitan area. Both Mundaring and Swan (and Bassendean) are predominantly comprised of separate houses (89%), compared to the metropolitan average of 77%.

[75] Metropolitan Local Government Reform Demographic Analysis, Geografia 2014

The worker profiles of Swan and Mundaring are similar. Retail, manufacturing and construction are three most significant areas of employment. There is also greater proportion employed in the manufacturing, wholesale and transport sectors compared to the metropolitan area as a whole. The Swan and Bassendean local government areas are some of the more disadvantaged in the metropolitan area, according to ABS' Index of Relative Socio-Economic Disadvantage. Both areas have a score lower than the metropolitan score while the Shire of Mundaring has less disadvantage relative to the rest of the metropolitan area. Demographic factors are not considered a major factor in assessing these proposals

Service population

There is some benefit in considering service population in addition to resident population. In the Bassendean and Mundaring areas, service population is not a major issue, whereas it is more of an issue in Midland as a strategic centre. Although there are 47,000 workers working in the Swan area, the majority (31,000) come into the area from elsewhere. Over the next 20 years, it is expected that the redevelopment of Midland will see the creation of a further 7,500 jobs. The Midland strategic centre draws service population from a much larger area than just the City of Swan and provides some justification for extending the City's boundaries to capture more of the centres service catchment. The Swan Valley and its surrounds is one of Western Australia's premier tourism regions and these visitors also contribute to service population.

Community of interest

The Board has previously expressed the view that the external boundaries of a local government should reflect distinct communities of interest wherever possible. The following observations about communities of interest in the local government areas of Swan, Mundaring and Bassendean were noted.

Journey to work: There is strong integration of the Swan and Mundaring labour market and labourshed, focused on the Midland strategic centre. Mundaring is second only to Swan as the source of workers who work in the City of Swan. Mundaring is not a major destination for workers who live in Swan. Swan is second only to Mundaring as a source of workers who work in the Shire of Mundaring; 44% of Mundaring residents work in either Mundaring or Swan. The largest percentage of Bassendean residents work in the Perth City area (19.2%).

Table 58 - Localities affected by the Mundaring / Swan proposals

Locality	Pop. (2011 Census)	Current City of Swan	Current Shire of Mundaring	Current Town of Bassendean	Swan / Bassendean Proposal 2	Shire of Mundaring Proposal 1	Minister's Proposal 04/2013
Altone	21,445	Yes	No	No	Yes	Yes	Yes
Ballajura	20,085	Yes	No	No	Yes	Yes	Yes
Beechboro	13,997	Yes	No	No	Yes	Yes	Yes
Bullsbrook	5,321	Yes	No	No	Yes	Yes	Yes
Ellenbrook	27,362	Yes	No	No	Yes	Yes	Yes
Gidgegannup	3,356	Yes	No	No	Yes	Yes	Yes
Guildford	6,077	Yes	No	No	Yes	Yes	Yes
Midland	13,501	Yes	No	No	Yes	Yes	Yes
Noranda	1,496	Part	No	No	No	No	No
Swan Valley	5,628	Yes	No	No	Yes	Yes	Yes
Swan View	10,068	Yes	Part	No	Yes	Yes	Yes
The Vines	3,407	Yes	No	No	Yes	Yes	Yes
Bailup	Included in Chidlow	No	Yes	No	Yes	Yes	Yes
Beechina	Included in Chidlow	No	Yes	No	Yes	Yes	Yes

Locality	Pop. (2011 Census)	Current City of Swan	Current Shire of Mundaring	Current Town of Bassendean	Swan / Bassendean Proposal 2	Shire of Mundaring Proposal 1	Minister's Proposal 04/2013
Bellevue	Included in Midvale	No	Yes	No	Yes	Yes	Yes
Boya	Included in Helena Valley	No	Yes	No	Yes	Yes	Yes
Chidlow	5,150	No	Yes	No	Yes	Yes	Yes
Darlington	3,676	No	Yes	No	Yes	Yes	Yes
Glen Forrest	2,963	No	Yes	No	Yes	Yes	Yes
Gorrie	Included in Chidlow	No	Yes	No	Yes	Yes	Yes
Greenmount	2,695	No	Yes	No	Yes	Yes	Yes
Helena Valley	3,668	No	Yes	No	Yes	Yes	Yes
Hovea	Included in Chidlow	No	Yes	No	Yes	Yes	Yes
Mahogany Creek	Included in Mundaring	No	Yes	No	Yes	Yes	Yes
Malmalling	Included in Chidlow	No	Yes	No	Yes	Yes	Yes
Midvale	1,525	No	Yes	No	Yes	Yes	Yes

Locality	Pop. (2011 Census)	Current City of Swan	Current Shire of Mundaring	Current Town of Bassendean	Swan / Bassendean Proposal 2	Shire of Mundaring Proposal 1	Minister's Proposal 04/2013
Mount Helena	3,042	No	Yes	No	Yes	Yes	Yes
Mundaring	4,068	No	Yes	No	Yes	Yes	Yes
Parkerville	3,123	No	Yes	No	Yes	Yes	Yes
Sawyers Valley	Included in Chidlow	No	Yes	No	Yes	Yes	Yes
Stoneville	2,498	No	Yes	No	Yes	Yes	Yes
The Lakes	Included in Chidlow	No	Yes	No	Yes	Yes	Yes
Wooroloo	Included in Chidlow	No	Yes	No	Yes	Yes	Yes
Bassendean	9,640	No	No	Yes	Yes	No	No
Ashfield	1,256	No	No	Yes	Yes	No	No
Kiara	1,793	No	No	Yes	Yes	No	No
Lockridge	3,566	No	No	Yes	Yes	No	No

Educational Facilities: The boundaries of the Swan, Mundaring and Bassendean area contain multiple government primary schools, five Catholic primary schools, and a number of independent schools and private colleges including Ellenbrook and Christian Colleges, Guildford Grammar, Helena College, LaSalle College, and Swan Valley Anglican Community School. Most of the affected area falls in the local intake area of six government high schools including Eastern Hills (Mundaring), Lockridge, Governor Stirling (Midland), and Swan View High schools. Small parts of the affected area are covered by Hampton and Morley Senior High Schools. Bullsbrook, Ballajura and Ellenbrook Secondary Colleges are located in parts of Swan not affected by the proposals. The private colleges tend to draw their students from across a wider area than the local high schools. Curtin University has its main campus at Bentley, but also offers select courses in humanities and business in Midland. A proposal for a private university located at the former Midland Railway Workshops has not been progressed. Polytechnic West, formerly known as Swan TAFE, has a campus in Midland.

Newspaper circulation: Five different community papers circulate in the area affected by the proposal (Midland/Kalamunda Reporter; Hills/Avon Valley Gazette; The Advocate; Eastern Reporter; Midland Echo). Three of the papers circulate to Midland, two through Mundaring whereas the others circulate to outlying areas such as the western and northern portions of Swan.

State Electoral Districts: The City of Swan and Shire of Mundaring are covered by the State Legislative Assembly seats of Midland, West Swan and Swan Hills. Small portions of the local government areas are in the seats of Morley (part of Noranda), Belmont (South Guildford) and Kalamunda (Darlington). The Town of Bassendean is covered by the seat of Bassendean, which also includes parts of Beechboro and Lockridge (in the City of Swan). The electorates are all included in the East Metropolitan Region for Legislative Council elections.

Commonwealth Electoral Divisions: The Federal division of Pearce includes most of the Shire of Mundaring and the rural parts of the City of Swan, as well as parts of Kalamunda and Wanneroo and six non-metropolitan local governments. The Federal division of Hasluck covers an area of approximately 245km^2 from West Swan in the north to Southern River in the south. It is bordered by the foothills of the Darling Range to the east and the Midland to Kwinana freight rail line to the west. The division includes parts of the Shire of Mundaring and the City of Swan, as well as parts of Gosnells and Kalamunda. It includes the suburbs of Guildford and Midland. All of the Bassendean and Bayswater local governments are contained within the division of Perth, and a small part of Swan (Noranda, Beechboro) is also part of the electorate.

Public transport: The north-eastern quadrant of Perth has long been pivotal for major transport junctions between Perth and regional WA and the eastern states, including the Great Northern, Great Eastern, Brand, Reid, Roe and Tonkin Highways. Transport planning is critical in the region, given the potential railway corridor to Ellenbrook and planned Perth-Darwin National Highway / Swan Valley Bypass. There are also major railways, including the Perth to Midland passenger railway, and the railway running through the Swan valley to wheatbelt and goldfields regions, linking with the CBH state grain terminal located in Forrestfield. The strategic activity centre of Midland is connected to the metropolitan passenger rail network, and is also serviced by high frequency bus routes and transfer station (25 routes). Bassendean is linked to Midland by the rail service, Mundaring by bus routes. A regional integrated transport strategy has been prepared through the EMRC. Midland is the most significant strategic metropolitan centre for convergence of major state and metropolitan transport routes. Boundary change or amalgamation of local governments in the area offers the potential for greater integration of transport planning.

Community of interest: Summary and Comment

There are strong community of interest links between Mundaring and Swan. There are similarities between demographic characteristics and industry of employment and journey to work patterns resulting in strong employment links. Mundaring has strong transport linkages with Midland, which is a major service centre for the wider region including Mundaring, particularly for health, education, retail and other commercial services. The area is in the same Legislative Council electoral region (albeit spread across multiple Legislative Assembly seats). While of themselves these observations do not provide a compelling argument for a merger of Mundaring and Swan, they indicate that there are no compelling points of difference between the various localities affected by the proposed change to suggest that a merger should not proceed. The respective strategic plans all recognise sense of place, belonging or community, and there would not appear to be competing values and visions.

Economic considerations

The economic activity in the Mundaring and Swan areas is diverse, ranging from service industries including retail and hospitality and other professional services, to heavy and light industries. As a designated strategic metropolitan centre, Midland provides a comprehensive range of economic and community services for the communities in its catchment and is the most significant centre for convergence of major state and metropolitan transport routes. The extensive rural area includes

extensive primary industries, including viticulture, orcharding and horticultural as well as general farming and grazing.

A regional economic development strategy has been prepared through the EMRC. The local governments actively promote economic development and employ economic development officers. Strategic community plans put emphasis on thriving, sustainable business capacity and growth and balanced development.

The region is well served with public and private infrastructure. The local government infrastructure includes three council administration centres and an operations centre, three depots, extensive sports and recreation facilities including Bassendean (Steel Blue) Oval, Altone Park, and four aquatic centres, nine libraries, two cemeteries and numerous halls, pavilions, community centres and parks and gardens. Any change in local government arrangements in the region is unlikely to negatively affect this infrastructure or lessen the amenity and services enjoyed by the residents and businesses of this region.

Environmental Context

The environmental context of this area can be summarised as being partly Swan coastal plain and partly the more heavily timbered Darling Scarp and foothills. The area includes the Swan Valley as a focal point. There are significant environmental issues in the area, with rural subdivisions, State forest, water catchments and National Parks including Avon Valley, Walyunga and John Forrest. Natural resources within the region include bushland, wetlands, rivers and streams. Lifestyle, conservation and water quality issues tend to dominate local community agendas. The councils already work closely together through the EMRC on a range of environmental issues, including the Eastern Hills Catchment Management Program and Perth Biodiversity Project.

Mundaring, Swan and Bassendean have strategies and programs dedicated to maintaining and improving the natural environment. This includes recognition within the strategic community plans, and waste management, climate change and waterwise components. The local governments are involved in a range of environmental programs including the Cities for Climate Protection Campaign, in part facilitated by the EMRC. Natural resource management officers are based at the EMRC, and the councils have various tools and policies such as the Shire of Mundaring's Environmental Management Plan 2012 – 2022.

The proposed local government would be a key local government working with State Government to ensure environmental sustainability of the environmentally significant forest and water catchments. Bushfire prevention and management is a critical priority

across the area, given the closeness of the forest areas to populated areas, with the councils supporting at least 14 Volunteer Bush Fire Brigades.[76] The effectiveness of their ongoing operation is critical, which could be further enhanced with the support and coordination possible through a single council.

Local Government

Swan, Mundaring and Bassendean have largely completed the statutory requirements under the integrated planning framework. Excerpts from the respective strategic community plans show a common desire for a sustainable, thriving and accessible city with vibrancy and diversity. The three local governments have more than 860 employees in total, with duplication in many roles including three Chief Executive Officers and eleven senior directors.

The City of Swan has adopted a place management approach to its organisational management structure, recognising that the City is made up of many local communities (places) with differing needs and goals. Local area planning specifically acknowledges and aims to meet the differing needs and goals of places and provides an avenue for them to address local issues in a collaborative process with the City.[77] The size of an enlarged local government area and the geographical spread of the population would present challenges for servicing. The experience in Swan and Mundaring of serving a large area provides a strong foundation for this to occur across the larger area, and the place based approach currently undertaken by the City of Swan could be extended to the additional communities.

There would be some scope for rationalisation of infrastructure and assets. Current infrastructure includes the Mundaring Shire Office, Swan Administration Centre, and Bassendean administration centre. Swan also maintains an operations centre at its former shire office building on Great Northern Highway. These offices would likely be retained in the medium term as customer service centres and house council employees. The rationalisation of assets would be a matter for the new council. Some services are being provided in some parts of the proposed area (e.g. Ellenbrook) and not others, so these would be matters for the new entity to consider.

Each local government has the required local planning strategies and town planning schemes to guide and control development in their respective areas. Under Directions

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[76] Bullsbrook Volunteer Fire Brigade, East Swan Bush Fire Brigade, Gidgegannup Volunteer Bush Fire Brigade / Fire Station, Guildford Fire & Rescue Service, West Gidgegannup Volunteer Bush Fire Brigade, Chidlow , Darling Range Darlington, Glen Forrest, Mount Helena, Mundaring, Parkerville, Sawyers Valley, Stoneville, Wooroloo

[77] http://www.swan.wa.gov.au/Our_City/About_Swan/Local_Area_Planning

2031 there is a target of about 37,000 new dwellings in this area. The Metropolitan East Joint Development Assessment Panel (JDAP) covers Swan and Mundaring and four other local government areas. Bassendean is covered by the Metropolitan Central JDAP.

Local Government Finance

With a diverse rate base that includes extensive commercial, retail, industrial, rural and residential properties, the combination of Swan and Mundaring and possibly Bassendean will be a financially strong local government, with operating revenue of at least $170 million. There is a significant difference in the GRV rates (cent in $), reflected in the higher average residential rates in Mundaring compared to Bassendean and Swan. Rates might be expected to reduce in Mundaring, but possibly increase slightly in the Swan portions. It seems likely that rates in the region would level out to something approaching the metropolitan average.

Asset management implications have been examined in detail as part of the Board's Inquiries. There would be no effect on the total financial assistance grant entitlements, with the new entity receiving the total of the current entitlements of the constituent local governments. Collectively these grants account for only 3% of the local government's current revenue. With the assistance of the affected local governments information was compiled in respect of the areas affected by these proposals.

Table 59 - Rate in dollar GRV (2013/14 budget)

Council	Minimum Rate (Residential) (2013/14)	Residential Improved GRV Rate / $	Commercial Improved GRV Rate / $	Industrial Improved GRV Rate / $	UV Rate / $	Total rate income 2013/14	Waste fee
Bassendean	$940	0.07315	0.07315	0.07315	No data	$10,707,533	$305
Mundaring	$905	0.09059338	0.09059338	0.0905934	0.004003	$23,969,512	$308
Swan	$805	0.06945	0.08499	0.08499	0.003	$80,899,589	$328

* Note: only portions of these areas to be incorporated into this proposed local government

Table 60 - Local government financial data for the Shire of Mundaring, City of Swan, and Town of Bassendean

Financial data	Mundaring	Swan	Bassendean	Total Swan and Mundaring	Total Swan and Mundaring, Bassendean
Total rate revenue ($)*	$23,969,512	$90,887,940	$10,707,533	$114,857,452	$125,564,985
Total operating revenue ($)*	$39,587,714	$133,747,680	$19,995,067	$173,335,394	$193,330,461
Total operating expenditure ($)*	$45,896,934	$124,033,400	$21,853,421	$169,930,334	$191,783,755
Total rate revenue per capita ($)	$612.58	$760.96	$689	$724.35	$721.17
Total operating revenue per capita	$1,011.72	$1,119.81	$1,286	$1,093.14	$1,110.38
Total operating expenditure per capita ($)	$1,172.96	$1,038.48	$1,406	$1,071.66	$1,101.50
Average residential rate per assessment 2012/13	$1,327	$1,110	$1,485	$1,156	$1,193
Rates as % of operating revenue	60.5%	68.0%	53.5%	66.3%	64.9%
Residential rates as % of total rates	84.2%	52.6%	N/A	59.2%	N/A
Commercial rates as % of total rates	12.8%	34.3%	N/A	29.8%	N/A
Rural (UV) rates as % of total rates	3.0%	9.1%	N/A	7.8%	N/A
Employee Costs	$13,770,531	$60,328,850	$8,725,357	$69,054,207	$77,779,564

*Based on 2013-14 annual budgets. Average residential rate for Bassendean includes commercial properties.

Table 61 - Key financial information for the Minister's Proposal 04/2013 – City of Swan and Shire of Mundaring

Minister Proposal 04/2013 - Swan/Mundaring	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Swan	$129,799,102	$117,642,850	$86,198,174	$26,914,614	$1,624,828
Mundaring	$40,009,891	$42,980,050	$22,796,775	$7,534,148	$2,869,627
Less: Swan - Noranda	$819,765	$411,750	$642,607	$167,409	$9,749
Less: Swan - Perth Airport	$1,603,720	$104,702	$1,603,720	$104,702	$1,603,720
TOTAL	$167,385,508	$160,106,448	$106,748,622	$34,176,651	$2,880,986

Table 62 - Key financial information for the Shire of Mundaring's Proposal 1

Proposal 1 - Shire of Mundaring	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Swan	$129,799,102	$117,642,850	$86,198,174	$26,914,614	$1,624,828
Mundaring	$40,009,891	$42,980,050	$22,796,775	$7,534,148	$2,869,627
Less: Swan - Noranda	$819,765	$411,750	$642,607	$167,409	$9,749
Less: Swan - Perth Airport	$1,603,720	$104,702	$1,603,720	$104,702	$1,603,720
TOTAL	$167,385,508	$160,106,448	$106,748,622	$34,176,651	$2,880,986

Table 63 - Key financial information for the Town of Bassendean and City of Swan's Proposal 2

Proposal 2 Swan / Bassendean	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Swan	$129,799,102	$117,642,850	$86,198,174	$26,914,614	$1,624,828
Mundaring	$40,009,891	$42,980,050	$22,796,775	$7,534,148	$2,869,627
Bassendean	$18,721,795	$19,283,107	$10,043,242	$4,591,513	$367,863
Add: Bayswater - Morley, Embleton, Bayswater	$9,920,050	$7,249,573	$5,021,000	$2,249,010	$90,917
Less: Swan - Noranda	$819,765	$411,750	$642,607	$167,409	$9,749
Less: Swan - Perth Airport	$1,603,720	$104,702	$1,603,720	$104,702	$1,603,720
TOTAL	$196,027,353	$186,639,127	$121,812,864	$41,017,174	$3,339,767

With the assistance of the affected local governments information has been compiled for the Board in respect of the areas affected by these proposals (Tables 61-63).

Table 64 - Comparative summary for Mundaring and Swan proposals

City of Swan/Mundaring under	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Minister proposal 04/2013	$167,385,508	$160,106,448	$106,748,622	$34,176,651	$2,880,986
Mundaring proposal 1	$167,385,508	$160,106,448	$106,748,622	$34,176,651	$2,880,986
Bassendean Swan proposal 2	$186,927,068	$179,801,305	$117,434,471	$38,935,573	$3,258,598
Difference	$19,541,560	$19,694,857	$10,685,849	$4,758,922	$377,612

*Note: Mundaring proposal same financial impact as Minister's proposal 04/2013.

Financial health checks

In the Department of Local Government's 2009 Local Government Reform Steering Committee report, Mundaring, Swan and Bassendean were rated as Category 1. The independent expert analysis of the financial position of the local governments conducted for the Metropolitan Local Government Review Panel in 2012 included a five-year analysis of sustainability measures. Mundaring and Swan were both rated as sustainable (the latter with a comfortable margin) and Bassendean as marginal. The Board noted that the analysis was updated by the proponents for the joint Bassendean Swan proposal, resulting in Bassendean being rated as sustainable. A financial health check (based on the 2012-13 annual financial statements) undertaken by the Department of Local Government and Communities has rated the assessed position of Mundaring as Good, Swan as Strong, and Bassendean as Satisfactory.

Financial Sustainability Analysis

The Western Australian Treasury Corporation (WATC) was commissioned to undertake a comparative analysis of the financial sustainability of existing and proposed metropolitan local governments. The financial analysis by WATC was based on the seven (7) financial ratios on which local governments are required to report, considering the past four financial years using the annual financial statements, and the forward looking next four years based on the financial plans, with seven years of data (2010-2017) to derive a Financial Sustainability Score as follows:

Table 65 - Financial Sustainability Scores (FSS)

FSS for current and proposed authorities	2010-2013	2010-2017
Existing Mundaring	79	63
Existing Swan	85	82
Existing Bassendean	45	46
Minister's Proposal 04/2013	85	82
Mundaring Proposal 1	85	82
Bassendean/Swan Proposal 2	85	83

Source: WA Treasury Corporation. The FSS for all current metropolitan local governments and the proposed restructured local governments are included in Section 4 of the Appendices.

Proposal 04/2013 and the Mundaring proposal both have a positive impact for the Mundaring area without impacting on the Swan area, reducing the significant FSS differential between the two local governments. Despite the very low FSS scores of

Bassendean, the Bassendean- Swan proposal has a similar effect on the FSS scores, albeit slightly lower for the 2010-2013 period.

Table 66 - Financial Ratios 2012/2013

Local Government	Bassendean	Mundaring	Swan
Current Ratio	0.67	2.39	1.26
Debt Service Coverage	2.73	13.56	10.52
Own Source Revenue	0.84	0.81	1.02
Operating Surplus	0	-0.03	0.1
Asset Consumption	0.85	0.71	0.64
Asset Sustainability	0.84	1.11	1.2
Asset Renewal	1.02	0.97	1.25

Submissions to the Local Government Advisory Board

Submissions were provided to the Board during the advertised public submission periods by local governments, industry groups, local businesses and affected ratepayers. A summary of these submissions is detailed below. Note the following summaries are the position put forward by those making the submission.

Local government submissions:

Shire of Mundaring

The Shire of Mundaring supports the amalgamation proposal as it considers that it provides the least risk to the Shire in achieving the best outcome for the residents of the Shire of Mundaring within the State Government's policy framework. It gives the longest possible time to plan and effect transition to a new entity; and affords the best available opportunity of negotiating the most favourable transition and ongoing representation and service delivery for Mundaring residents.

The Shire anticipates that amalgamating a relatively small local government with a larger local government is likely to produce some economies of scope and scale. Benefits are possible, but unproven and unquantified in the following areas:

- a more diversified rate base;
- reduced duplication;

- better use of resources and facilities;
- a broader range of services for the community;
- expanded organisational capacity;
- a broader range of skills and Improved career paths for employees;
- enhanced capacity to plan and implement major projects; and
- improved capacity to enter into partnerships.

Town of Bassendean / City of Swan

The new local government authority requires a capable workforce, finances and assets. The resource capability of the new authority would be strengthened under this proposal. The larger population base will provide an increased capacity to advocate and lobby Commonwealth and State governments for the funding of projects and services that the community sees as its priorities. There would be improved opportunity to form partnerships and engage with Commonwealth and State governments and greater opportunities for investment attraction and promotion of economic development throughout the larger entity.

The councils submitted that the new entity will have greater capacity to meet the needs of residents and ratepayers through improved integration of services throughout the large geographic area of the new entity encompassing almost 1,700 square kilometres. Established integrated business planning processes will assist in the planning and delivery of local government services to its community. Strategic Community Plans from each of the existing local governments can be used to understand community aspirations, values and long term priorities at a local level, as well as being used to inform the development of the new Strategic Community Plan for the new authority. Corporate Business Plans from each of the existing local governments can be used to understand operational delivery and resource capability. This information can be used to understand the capacity and capability of the new authority. Local Planning Schemes and strategies from each of the existing local governments can be used to determine future strategic and statutory land use planning requirements for the new authority.

The City of Swan, in supporting change, compares the implications of the amalgamation and the boundary change proposals. The former requires 100% change, through the abolition of two local governments. The latter is said to require only 25% change (to land titles, contracts, etc.), with no change required to logo, marketing, web address, etc. This is said to represent a 75% discount in the cost of implementation and

is the most efficient in terms of time. The City of Swan supports retention of its current name, considering it to be an historically established name with regional relevance.

The City of Swan no longer supports the joint City of Swan / Town of Bassendean proposal, supporting the Minister's proposal 04/2013 as a boundary adjustment between Swan and Mundaring with no effect on Bassendean. The Board noted that the Town of Bassendean withdrew from the Swan Local Implementation Committee, given that the City of Swan no longer supported the joint City of Swan / Town of Bassendean proposal.

Other submissions

Many Mundaring respondents supported the Shire of Mundaring proposal. Some reluctantly supported reform, wanting to ensure that the expertise and support for fire brigades, environment and arts and culture groups in Mundaring is not diminished. The Association of Volunteer Bush Fire Brigades (AVBFB) opposes all proposals on the basis of its concerns that amalgamations will reduce resources and expertise in fields critical to community safety. The AVBFB believes that local governments responsible for areas of rural-urban interface are very experienced in emergency management and that existing links with community organisations such as volunteer bush fire brigades may be diminished as a result of replacing them with larger organisations. It is feared that amalgamations will result in rationalisation of brigade boundaries, reductions in volunteer numbers and loss of paid support roles within local governments.

Around 95 per cent of the 67 public submissions against the Minister's Proposal 04/2013 were from residents of the Shire of Mundaring who questioned the rationale for change, and in the event of change, opposed the use of boundary amendments to achieve it rather than a full amalgamation process. However, all seven submissions in support of the proposal were also from Mundaring residents who believed that the City of Swan's administration would be better equipped to service their district. All 117 submissions in support of the Shire of Mundaring's Proposal 1 for a merger through amalgamation rather than a boundary amendment, were from residents of the Mundaring district. However, the submissions were largely sceptical of the need for any change to the status quo, supporting the Shire's recommendation for an amalgamation process only to the extent that it was considered a fairer process should change be forced.

Similarly, the 37 submissions against the Shire's proposal were almost all from the Shire's own residents, generally rejecting the proposal not because of objections to an amalgamation process, but because of objections to any change at all.

Only four submissions were lodged in support of the joint proposal from the Town of Bassendean and City of Swan, and 28 against, most of them again from residents of the Shire of Mundaring. They were generally based on opposition to any change to the status quo.

Table 67 - Submissions lodged on proposals

Origin of submissions	**Number of submissions**					
	Proposal 04/2013		**Proposal 1**		**Proposal 2**	
	For	Against	For	Against	For	Against
Local governments	2	1	1	0	0	2
Stakeholders	2	11	7	4	1	4
Individuals	7	67	117	37	4	28
Totals	**11**	**79**	**125**	**41**	**5**	**34**

Table 68 - Summary Information for the current Shire of Mundaring, City of Swan, Town of Bassendean and Proposals 2, 04/2013 and 1

Summary information	Mundaring	Swan	Bassendean	Bassendean / Swan Proposal 2	Minister's Proposal 04/2013	Mundaring Proposal 1
Population 2013	39,796	124,782	15,923	189,714	162,583	162,583
% variation from 100,000 in 2013	-60%	+25%	-84%	+90%	+63%	+63%
Population 2026	43,811	171,340	16,837	231,261	202,725	202,725
Population 2050	48,797	244,770	17,337	300,485	270,759	270,759
Strategic centres (Strategic - bold)	None	**Midland** Ellenbrook	None	**Midland** Ellenbrook	**Midland** Ellenbrook	**Midland** Ellenbrook
Future industrial sites	None	Whiteman, Bullsbrook, North Ellenbrook, Hazelmere south	None	Whiteman, Bullsbrook, North Ellenbrook, Hazelmere south	Whiteman, Bullsbrook, North Ellenbrook, Hazelmere south	Whiteman, Bullsbrook, North Ellenbrook, Hazelmere south
Additional dwelling Target (D2031)	4,000 to 5000	27,400 to 35,500	3,000	No data	No data	No data
% Local employment	44.4%	88.9%	82.3%	No data	No data	No data
Total FTE	185.3	576.8	98.1	No data	No data	No data
Total Expenditure	$45,896,934	$124,033,400	$21,853,421	No data	No data	No data
Total Rates	$23,969,512	$90,887,940	$10,707,533	No data	No data	No data

Summary information	Mundaring	Swan	Bassendean	Bassendean / Swan Proposal 2	Minister's Proposal 04/2013	Mundaring Proposal 1
Average GRV residential	$15,246	$16,438	$23,455*	No data	No data	No data
Average rate residential	$1,327	$1,110	$1,485	No data	No data	No data
Residential rate in $ GRV	0.09059338	0.06945	0.07315	No data	No data	No data
Rates as % of revenue	60.5%	68.0%	53.55%	No data	No data	No data
Residential rates %	84.2%	52.6%	N/A	No data	No data	No data
Commercial rates %	12.8%	34.3%	N/A	No data	No data	No data
DLGC Financial health check	Good	Strong	Reasonable	No data	No data	No data
Operating Surplus 2013	-0.03	0.10	0.003	0.07	0.06	0.06
Current ratio 2013	2.39	1.26	0.67	1.40	1.43	1.43
WATC Ratio Profile	No data	No data	No data	strong	strong	strong
WATC Financial Sustainability Score (20-2013)	79	85	45	85	85	85
WATC Financial Sustainability Score (20-2017)	63	82	46	83	82	82

* Includes all GRV properties for Bassendean. Comparable figure for Mundaring is $17,238 and $22,805 for Swan

Assessment of the Minister's Proposal 04/2013

against Local Government Advisory Board criteria

Proposal 04/2013 was assessed and recommended by the Board with minor boundary amendments.

From the Minister's proposal 4/2013:

"The proposal, if implemented, would create a stronger local government, with an increased capacity to provide the best possible services to residents in the new district and with the maximum efficiency. The hills area has a distinct character and presents unique environmental challenges that require specialised management and the enlarged City of Swan presents the opportunity to consolidate expertise and resources, and to streamline relationships with other levels of government. The City of Swan has a successful place management program which could be expanded across the enlarged district."

Minor boundary amendments made by the Board:

- Kiara transferred to City of Bayswater
- Portion of north Morley (bounded by Tonkin Hwy, Benara Rd, Wandoo Rd) transferred from City of Bayswater to City of Swan

Community of interest

The Board can see no compelling issues of community of interest in the various localities affected by the proposed boundary change to suggest that it should not proceed. Rather, the Board found evidence of strong links between the Swan and Mundaring communities, with Mundaring residents relying on Midland for health, education, retail or other services. Many Mundaring residents also travel to Swan for their employment. There are also strong transport linkages connecting the communities. The existing local governments share a vision for sense of community, place and belonging. These visions reflect similar community aspirations. There is a strong community of interest around bushfire control. The proposal also brings business interests together. The Board considers that the capacity of the local government to engage the community would remain strong. The service needs of specific communities of interest, such as seniors, would be well served.

Physical and topographic features

The most significant physical and topographic features are the Swan coastal plain, Swan River, Darling Scarp and Darling Range. The Swan Valley is at the heart of the

current City of Swan and is thus not a significant boundary feature. The Darling Scarp is not a significant boundary feature either, in that Swan and to a lesser degree Mundaring, all have suburbs and localities that span both foothills, scarp and hills locations.

The proposal would address some of the current illogicality in the boundaries between Swan and Mundaring in the Koongamia and Midvale areas. A positive outcome of the merger would be that a larger area of the Perth foothills would be with one authority. The new local government entity would potentially be the largest in the metropolitan area in terms of land area. Physical and topographic features are considered a neutral factor in assessing this proposed local government.

Demographic trends

There are no compelling points of difference in the demographic details of the localities affected by the proposed boundary change. The local government would have the scale and capacity to deal with the significant population growth that is expected in the area in the years to come (potentially a population of 300,000 by 2050). The Board believes the capacity of the local government to service the needs of the growing and changing community would be strong, particularly given the current level of effort directed by both local governments to, for example, aged services. Demographic trends are not considered a major factor in assessing this proposal.

Economic factors

With a focus on the strategic activity centre of Midland, the impact of the proposed boundary change on economic factors is considered to be positive, as it reinforces the capacity of the local government to service a socially and economically diverse community. Mundaring does not currently contain a strategic or secondary activity centre as defined in Directions 2031, so formalising the connection with Midland is a desirable outcome. The proposal is consistent with facilitating the objectives of the State Government's *Directions 2031 and Beyond* planning framework for the development of strategic activity centres. The place management system currently applied in the City of Swan is based around economic hubs and it would be possible to bring in the economic hub of Mundaring under that system. By bringing together the Swan and Mundaring areas the type of economic activities in the authority is diversified even more. Existing local governments actively support economic development, in line with the EMRC's Economic Development Strategy, which could be built upon to facilitate economic growth and investment across the broader Swan-Mundaring area. Tourism development and promotion in the Hills and Swan Valley could potentially be strengthened under the new entity. There are strong economic linkages between

Mundaring and Swan, and the Board considers the strength and commonality of economic factors a positive dimension to the proposed boundary change.

The history of the area

The proposed merger might be seen by some as contributing to a loss of local history, but that history will fundamentally remain. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. In the Board's view, there are no significant differences in the history of the areas to suggest that the proposed merger should not proceed. There are some historical connections between the areas and the history of particular communities and local governments would not be lost. The history of the area is not considered a major factor in assessing this proposal.

Transport and communication

The area is pivotal for major transport routes, and significant new links are likely in the future including a proposed Perth Darwin highway and future railway line to Ellenbrook. Given the important transport linkages that traverse the area, more effective transport planning in the region is critical for local and regional residents and business. The merger would allow one authority to manage the north east activity corridor and its major transport links and projects. A larger portion of Great Eastern Highway would be incorporated into one authority under this proposal. The Board believes that the new entity would have enhanced ability to lobby for funding and improved public transport services. With the potential for greater integration of transport planning, building on the regional Integrated Transport Strategy developed by the EMRC, the boundary change would offer potential transport benefits to residents and businesses of the area including the potential for improved access to services by the community.

Matters affecting the viability of local governments

The proposed boundary change improves parity compared to existing local governments and would result in increased financial sustainability. The WATC analysis shows the merged entity is a strong local government in most areas but somewhat weak for the current ratio. Given the financial strength and diverse rate base mix of the proposed local government, derived from its strong commercial and industrial sector, the proposed merger is considered by the Board to have a positive outcome. The local government would have the potential to address sustainability issues and rationalise some duplicated infrastructure assets. The local government would also have an increased capacity to partner with and advocate and lobby Commonwealth and State

governments for funding for priority projects and services. The new entity would be capable of undertaking major capital projects to a greater degree than what the individual entities could undertake presently.

The effective delivery of local government services

The Board considers that the effective delivery of local government services would be maintained and potentially enhanced by the proposed local government. The new entity would have to deliver services over a very large area; however it is acknowledged that the existing local governments already have considerable experience in this regard. The place management model used by the City of Swan could be applied to the communities within Mundaring. Services such as bush fire control are critical and the combination of resources and management would be beneficial. It would have increased capacity and resources to deliver services at least to a comparable standard to those currently provided. As one of the largest local governments in the region, it would have the potential to attract the best in management and staff expertise. The proposal is consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community. Major projects identified in community plans could proceed, while capacity to undertake some projects would be enhanced.

Assessment of the Shire of Mundaring's Proposal 1

against Local Government Advisory Board criteria

Proposal 1 was assessed and rejected by the Board.

From the Shire of Mundaring proposal:

"Benefits are possible, but unproven and unquantified in the following areas: a more diversified rate base could enable provision of more support to community groups such as local residents associations, environmental groups, and other volunteer groups."

Community of interest

The Board can see no compelling issues that would adversely impact community of interest in the various localities affected by the proposed amalgamation to suggest that it should not proceed. Rather, the Board found evidence of strong links between the Swan and Mundaring communities, with Mundaring residents relying on Midland for health, education, retail or other services. Many Mundaring residents also travel to Swan for their employment. There are also strong transport linkages connecting the communities. The existing local governments share a vision for sense of community, place and belonging. These visions reflect similar community aspirations. There is a strong community of interest around bushfire control. The proposal also brings business interests together. The capacity of the local government to engage the community would remain strong. The service needs of specific communities of interest, such as seniors, would be well served.

Physical and topographic features

The most significant physical and topographic features are the Swan coastal plain, Swan River, Darling Scarp and Darling Range. The Swan Valley is at the heart of the current City of Swan and is thus not a significant boundary feature. The Darling Scarp is not a significant boundary feature either, in that Swan and to a lesser degree Mundaring, all have suburbs and localities that span both foothills, scarp and hills locations.

The proposal would address some of the current illogicality in the boundaries between Swan and Mundaring in the Koongamia and Midvale areas. A positive outcome of a merger between Swan and Mundaring is that a larger area of the Perth foothills would be with one authority. The new local government entity would potentially be the largest in the metropolitan area in terms of land area. Physical and topographic features are considered a neutral factor in assessing this proposed local government.

Demographic trends

There are no compelling points of difference in the demographic details of the localities affected by the proposed amalgamation. The capacity of the local government to service the needs of the growing and changing community, including a significant aged population would be strong, particularly given the current level of effort directed by both local governments to aged services. The local government would have the scale and capacity to deal with the significant population growth that is expected in the area in the years to come (potentially a population of 300,000 by 2050). The Board believes the capacity of the local government to service the needs of the growing and changing community would be strong. Demographic trends are not considered a major factor in assessing this proposal.

Economic factors

With a focus on the strategic activity centre of Midland, the impact of the proposed amalgamation on economic factors is considered to be positive, as it reinforces the capacity of the local government to service a socially and economically diverse community. Mundaring does not currently contain a strategic or secondary activity desirable outcome, so formalising the connection with Midland is a desirable outcome. The proposal is consistent with facilitating the objectives of the State Government's *Directions 2031 and Beyond* planning framework for the development of strategic activity centres. The place management system currently applied in the City of Swan is based around economic hubs and it would be possible to bring in the economic hub of Mundaring under that system. By bringing together the Swan and Mundaring areas the type of economic activities in the authority is diversified even more. Existing local governments actively support economic development, in line with the EMRC's Economic Development Strategy, which could be built upon to facilitate economic growth and investment across the broader Swan-Mundaring area. Tourism development and promotion in the Hills and Swan Valley could potentially be strengthened under the new entity. There are strong economic linkages between Mundaring and Swan, and the Board considers the strength and commonality of economic factors to be a positive dimension to the proposed amalgamation.

The history of the area

The proposed merger might be seen by some as contributing to a loss of local history, but that history will fundamentally remain. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. In the Board's view, there are no significant differences in the history of the areas to

suggest that the proposed merger should not proceed. There are some historical connections between the areas and the history of particular communities and local governments would not be lost. The history of the area is not considered a major factor in assessing this proposal.

Transport and communication

The area is pivotal for major transport routes, and significant new links are likely in the future including a proposed Perth Darwin highway and future railway line to Ellenbrook. Given the important transport linkages that traverse the area, more effective transport planning in the region is critical for local and regional residents and business. The merger would allow one authority to manage the north east activity corridor and its major transport links and projects. A larger portion of Great Eastern Highway would be incorporated into one authority under this proposal. The Board believes that the new entity would have enhanced ability to lobby for funding and improved public transport services. With the potential for greater integration of transport planning, building on the regional Integrated Transport Strategy developed by the EMRC, the boundary change would offer potential transport benefits to residents and businesses of the area including the potential for improved access to services by the community.

Matters affecting the viability of local governments

The proposed boundary change improves parity compared to existing local governments and would result in increased financial sustainability. The WATC analysis shows the merged entity is a strong local government in most areas but somewhat weak for the current ratio. Given the financial strength and diverse rate base mix of the proposed local government, derived from its strong commercial and industrial sector, the proposed amalgamation is considered by the Board to have a positive outcome. The local government would have the potential to address sustainability issues and rationalise some duplicated infrastructure assets. The local government would also have an increased capacity to partner with and advocate and lobby Commonwealth and State governments for funding for priority projects and services. The new entity would be capable of undertaking major capital projects to a greater degree than what the individual entities could undertake presently.

The effective delivery of local government services

The Board considers that the effective delivery of local government services would be maintained and potentially enhanced by the proposed local government. It is acknowledged that the new entity would have to deliver services over a very large area, but the existing local governments of Swan and Mundaring both already have

experience in this regard. The place management model used by the City of Swan could be applied to the communities within Mundaring. Services such as bush fire control are critical and the combination of resources and management would be beneficial. It would have increased capacity and resources to deliver services at least to a comparable standard to those currently provided. As one of the largest local governments in the region, it would have the potential to attract the best in management and staff expertise. The proposal is consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community. Major projects identified in community plans could proceed, while capacity to undertake some projects would be enhanced.

Assessment of the City of Swan and Town of Bassendean's Proposal 2

against Local Government Advisory Board criteria

Proposal 2 was assessed and rejected by the Board.

From the City of Swan / Town of Bassendean proposal:

"This proposal supports the intentions that new local governments will have the scale and capacity to deal with rapid population growth, ensuring that communities of interest are maintained and supported, and that the established built and natural features will continue to be accommodated in the new LGA."

The City of Swan no longer supports this proposal, supporting the Minister's proposal 04/2013 as a boundary adjustment between Swan and Mundaring only. The Town of Bassendean withdrew from the local implementation committee (LIC) as it saw no point in continuing given the City's position. Noting the above positions of the local governments, the Board has conducted the Inquiry and assessed the proposal against its prescribed criteria.

Community of interest

There are no compelling issues that would adversely impact community of interest in the various localities affected by the proposed amalgamation to suggest that it should not proceed. There are strong links between the Swan and Mundaring communities, with Mundaring residents relying on Midland for health, education, retail or other commercial services. Many Mundaring residents also travel to Swan for their employment. There are also strong transport linkages connecting the communities and the same transport links to the City. There are a number of local government interests in common, including the EMRC, WALGA Zone and the Perth Airport Municipalities Group. The existing local governments share a vision for sense of community, place and belonging. These visions reflect similar community aspirations. The capacity of the local government to engage the community would remain strong with an amalgamation. The service needs of specific communities of interest, such as seniors, would be well served.

Bassendean has some community of interest links with Midland, but these are probably not as strong as those between Mundaring and Swan. While the Town of Bassendean expressed a preference to amalgamate with the City of Swan, and there are some community of interest linkages between Bassendean and Midland, the Board has concluded that on balance there are equivalent if not greater community of interest

linkages with Bayswater and Morley. The Bayswater suburb community of interest would be split by the proposed boundary (noting it is already split by the Tonkin Highway). The Board's view was that on this criterion this proposal was less preferred than the City of Bayswater's Proposal 6.

Physical and topographic features

The most significant physical and topographic features are the Swan coastal plain, Swan River, Darling Scarp and Darling Range. The Swan Valley is at the heart of the current City of Swan and is thus not a significant boundary feature. The Darling Scarp is not a significant boundary feature either, in that Swan and to a lesser degree Mundaring, all have suburbs and localities that span both foothills, scarp and hills locations.

The Swan River, together with major arterial roads such as Reid and Tonkin Highway, provide logical boundaries for the proposed local government (although the latter will split the suburb and local government area of Bayswater). The proposal follows existing local government boundaries to a large degree. It is noted that where applicable the mid-point of the Swan River is a logical boundary. Internal physical and topographic features do not affect the capacity of the broader community to access services and the strong boundaries would enhance the capacity of the local government to service the community. The proposal would address some of the current illogicality in the boundaries between Swan and Mundaring in the Koongamia and Midvale areas. While a feature like Tonkin Highway would otherwise be a suitable boundary feature, the Board believes this would place the boundary too close to the Morley strategic activity centre and this is undesirable in the context of the importance of the strategic centres in the new local government structure.

Demographic trends

The Board noted no compelling points of difference in the demographic details of the localities affected by the proposed amalgamation. The capacity of the local government to service the needs of the growing and changing community, including a significant aged population would be strong, particularly given the current level of effort directed by the local governments to aged services. The capacity to respond to a significant service population comprised of workers and visitors would also be strong. The Board considers that the City of Swan's scale and capacity to deal with rapid population growth would be retained and enhanced. The combined local governments would have an aggregate population of approximately 200,000, potentially rising to 320,000 in

2050.[78] This would make it perhaps the second largest local government in the metropolitan area at 2050.

Economic factors

With a focus on the strategic activity centre of Midland, the impact of the proposed amalgamation on economic factors is considered by the Board to be positive, as it reinforces the capacity of the local government to service a socially and economically diverse community. Existing local governments actively support economic development, in line with the EMRC's Economic Development Strategy, which could be built upon to facilitate economic growth and investment across the broader Swan-Mundaring-Bassendean district. The proposal is consistent with facilitating the objectives of the State Government's *Directions 2031 and Beyond* planning framework for the development of strategic activity centres. There are strong economic linkages, and the strength and commonality of economic factors is a positive dimension for the proposed amalgamation.

The proposal creates an economically robust and diverse entity which would be well positioned to meet the challenges and opportunities associated with Midland and its development as a strategic metropolitan centre. The Bassendean – Bayswater industrial area (Ashfield) would still be split by Tonkin Highway. The use of the Tonkin Highway as a boundary would fragment future planning around the Morley strategic activity centre.

The history of the area

There are no significant differences in the history of the areas affected by the proposed amalgamation to suggest that it should not proceed. The proposal brings together areas with some historical connections. The Town submitted that it is historically connected to Guildford and Midland rather than Morley. The amalgamation might be seen by some as contributing to a loss of history, but that history will fundamentally remain. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. In the Board's view, there are no significant differences in the history of the areas to suggest that the proposed amalgamation should not proceed. The history of particular communities and local governments would not be lost. The history of the area is not considered a major factor in assessing this proposal.

[78] Metropolitan Local Government Reform Demographic Analysis, Geografia 2014

Transport and communication

The area is pivotal for major transport routes, and significant new developments are likely in the future including a proposed Perth Darwin highway and future railway line to Ellenbrook. Given the important transport linkages that traverse the area, more effective transport planning in the region is critical for local and regional residents and business. There are strong transport links between Swan, Mundaring and Bassendean, including the railway, Guildford Road and Great Eastern Highway. With the potential for greater integration of transport planning in this area, building on the regional Integrated Transport Strategy developed by the EMRC, the Board believes an amalgamation would offer transport benefits to residents and businesses of the area including the potential for improved access to services by the community. Midland is a strategic metropolitan centre and is an important transport hub for all modes of transport.

Matters affecting the viability of local governments

The Board has concluded that the proposed amalgamation improves parity compared to existing local governments and would result in increased financial sustainability, with a significant benefit for the current Town of Bassendean and Shire of Mundaring areas without detriment to the City of Swan. The WATC analysis shows the merged entity is a strong local government in most areas but below benchmark for the current ratio for the 2010-2017 period. The proposal results in a merged entity that clearly assists in reducing the differential between surrounding local governments.

Given the financial strength of the proposed local government, and the potential to address sustainability issues and rationalise some duplicated infrastructure assets, the proposal is considered by the Board to have a positive outcome on this criterion. The local government would also have an increased capacity to partner with and advocate and lobby Commonwealth and State governments for funding for priority projects and services. There is likely to be a major impact on Bayswater given that this proposal would absorb 16% of Bayswater’s population and 14.6% of revenue.

The effective delivery of local government services

The Board believes that the effective delivery of local government services would be maintained and potentially enhanced by the proposed local government, which would have the capacity and resources to deliver services at least to a comparable standard to those currently provided by the City of Swan. The proposal is consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community. Major projects identified in community plans could proceed,

while capacity to undertake some projects would be enhanced. Residents of Bassendean would potentially benefit from access to a wider range of services. The proposal would result in a larger City of Swan with greater resources and the capacity to deliver a more diverse range of services.

The proposed local government would be the largest in area with a significant spread of population. This need not be an impediment to effective service delivery, since the current City and Shire already deal with dispersed settlements. As a large local government, in terms of population, it would have the potential to attract the highest calibre management and staff expertise. The capacity of the local government to service the community would be strong.

Review and recommendations

In concluding its Inquiries, and in the interests of good government and the best interests of local government in the district and its residents and ratepayers, the Board has decided to recommend in favour of Minister's Proposal 4/2013. There is agreement across all proposals that that portion of the locality of Noranda in the City of Swan should be transferred to the City of Bayswater. The boundaries around Perth Airport also have the agreement from all parties, so that all land owned by Perth Airport would be located within the boundaries of one local government area.

The Board's conclusion is that the City of Swan clearly has the stronger organisational capacity to handle the merger process. In this case, the Board considers that a boundary change is preferred to an amalgamation on the basis of providing certainty to local governments and the community on the way forward and what is expected to be an easier and less costly transition process.

At nearly 1,700 square kilometres, a merger of Mundaring and Swan would be the largest local government in the metropolitan area. It would be as large in area as some rural local governments such as the Shires of Harvey and Toodyay.

The consolidation of these local governments should be considered a positive for the further development of the Midland strategic metropolitan centre. A regional benefit derives from having fewer local governments in the Perth region, with flow on effects expected for residents and ratepayers generally, as well as the regional economy and regional environment. The local benefits to residents and ratepayers are expected to include lower administration costs and better services. The ratio of elected members per elector will likely increase so there may be a concern among electors that there will be less access to elected representatives; a place management approach or similar may go some way to addressing this concern.

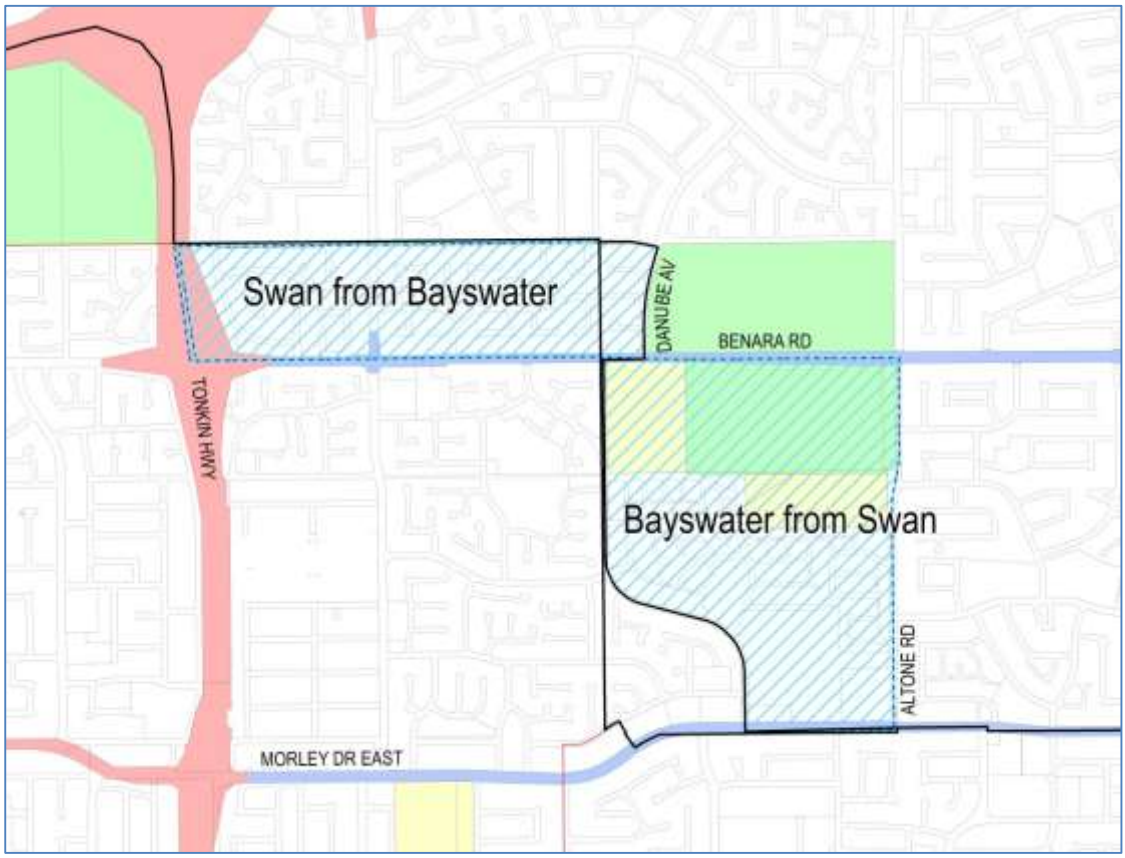
The City of Swan's place based services approach is well placed to be applied across an enlarged local government area. Many Mundaring residents already use services in Midland. The merger would facilitate equity in contributions and access to services. Mundaring residents who use the City's facilities will have the opportunity to influence the type and standard of services and facilities provided. It is also expected that there would be benefit for outlying areas in being able to draw on the significantly larger commercial and industrial rate base of Swan.

The new local government would facilitate better regional coordination of bush fire management for protection of life and property. It would facilitate a uniform and coordinated approach to planning issues and to a functional road hierarchy and traffic

management. As one of the council submissions points out, it would be expected that economies of scale and cost savings could be realised, through consolidation of administrative costs and elimination of duplication in human resources, payroll, and rating/debtors systems, as well as preparation of compliance reports. It would give an ability to rationalise existing services to provide more cost effective and expanded levels of service and better match staff expertise with service needs. A single local government would be better placed to lobby for increased funding from State and Federal Government, and this will be critical given the significant population growth expected in the area, and the significant requirements for infrastructure including transport. A single planning authority would bring more balanced and consistent planning and development to the area.

In completing the Inquiries the Board has further adjusted the boundaries by adopting a boundary of Tonkin Highway, Benara Road, Altone Road, and Morley Drive in the south west quadrant of the proposed entity. This transfers some territory to and from the City of Bayswater and forms a more logical boundary (Figure 12).

Figure 12 - Transfers to and from the City of Bayswater and the City of Swan



Ward structure

The City of Swan and the Shire of Mundaring each submitted a proposal to the Board recommending a seven ward structure for the enlarged entity. Both local governments agree to the following names for the seven wards:

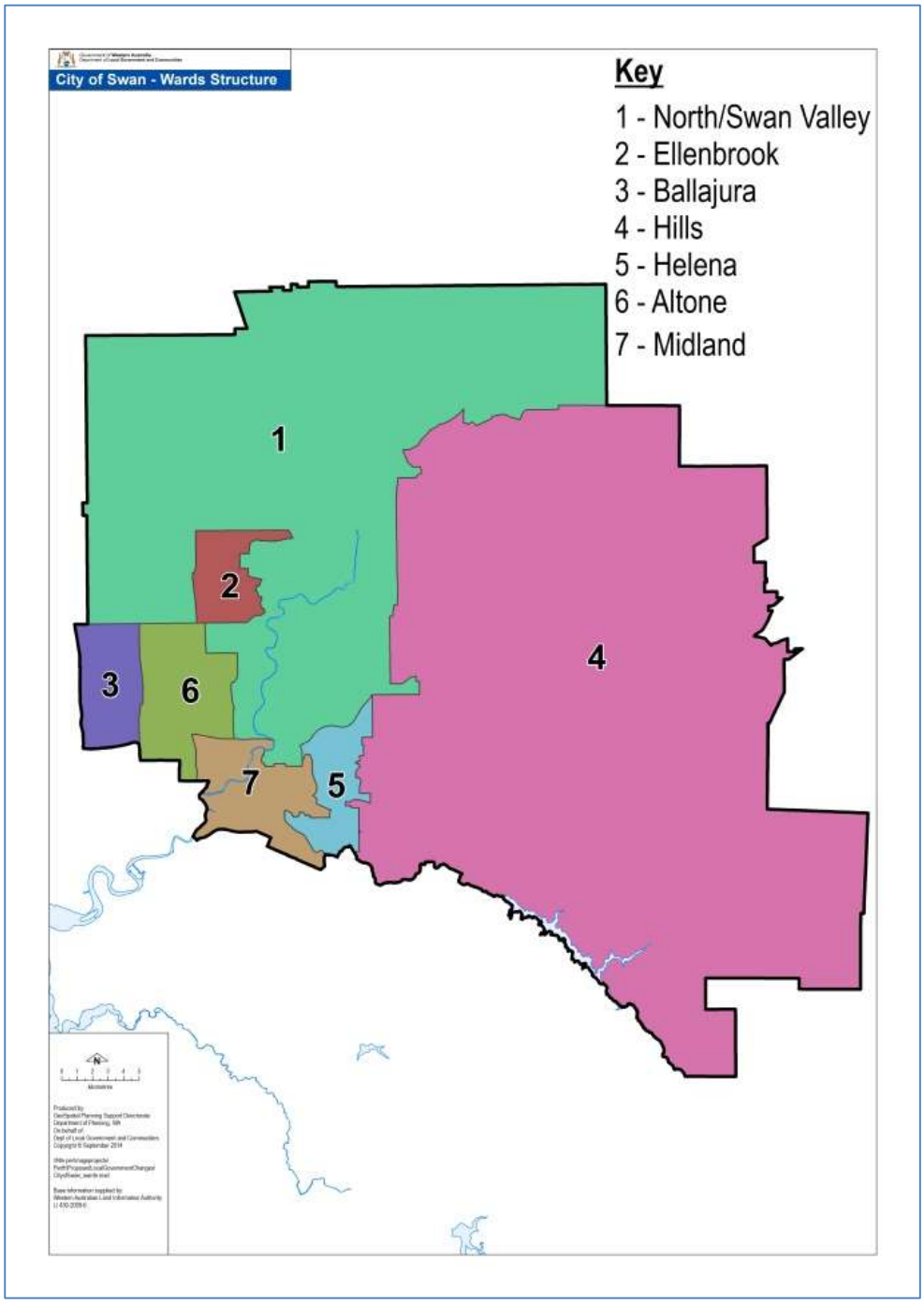
- Altone
- Ballajura
- Ellenbrook
- Helena
- Hills
- Midland
- North/Swan Valley

The Board gave due consideration to the discrete communities of interests comprising the merged local government covering an area of almost 1,700 square kilometres. The demographic changes and economic growth that is likely to occur in key areas of the merged entity was also a factor in the Board's deliberations

As there is agreement from both affected local governments to implement a ward structure and the Board's consideration that a seven ward structure is appropriate for the size and spread of communities in the merged local government; the Board subsequently recommends the following ward structure including the name of each ward Figure 13):

- Altone
- Ballajura
- Ellenbrook
- Helena
- Hills
- Midland
- North/Swan Valley

Figure 13 - City of Swan – recommended ward structure



Representation

The City of Swan and the Shire of Mundaring each submitted a proposal to the Board recommending 15 offices of councillor. The ward representation calculations are identified in the following table:

Table 69 - City of Swan and Shire of Mundaring's proposed ward and representation structure

Ward	Number of Councillors	Number of Electors	Councillor to Elector Ratio	%Ratio Deviation
Altone	2	12,999	1:6,500	-2.63%
Ballajura	2	12,619	1:6,310	+0.37%
Ellenbrook	2	12,784	1:6,392	-0.93%
Helena	2	14,144	1:7,072	-11.67%
Hills	3	17,898	1:5,966	+5.79%
Midland	2	12,581	1:6,291	+0.67%
North/Swan Valley	2	11,969	1:5,985	+5.50%
Total	15	94,994	1:6,333	N/A

The Board acknowledged the agreement between the affected local governments on levels of representation of 15 offices of councillor. The Board notes that the City of Swan councillors will be retained and will continue to represent the enlarged local government leading up to the 2015 Local Government Elections. All offices of councillor of the Shire of Mundaring will be disestablished on 30 June 2015. The impact of excising areas from the City of Swan to neighbouring local governments will require the City to review the eligibility of its councillors to continue on council.

Offices of councillor at the City of Swan that expire in 2017 will see out their terms. Offices of councillor at the City of Swan that expire in 2015 will be contested at the October 2015 local government elections.

Name of the new local government

The City of Swan resolved to retain its name. The Shire of Mundaring’s preference is that the City of Swan be named the City of Swan-Mundaring.

As there is no agreement between the City of Swan and Shire of Mundaring on a name for the merged entity, the Board notes that the corporate name and designation of the City of Swan will be retained. Should the merged local government seek to amend its name at a later date, it can do so under Schedule 2.2 clause 5(c) of the Act.

Recommendations

1. **The Local Government Advisory Board after formally inquiring into the proposal identified as Proposal 1 recommends pursuant to clause 6 (1)(a) of Schedule 2.1 of the *Local Government Act 1995* that the Minister for Local Government reject the proposal.**

2. **The Local Government Advisory Board after formally inquiring into the proposal identified as Proposal 2 recommends pursuant to clause 6 (1)(a) of Schedule 2.1 of the *Local Government Act 1995* that the Minister for Local Government reject the proposal.**

Proposal 04/2013 (Swan/Mundaring)

The Local Government Advisory Board (the Board) recommends to the Minister:

1. **pursuant to clause 6 (1) (b) of Schedule 2.1 to the *Local Government Act 1995* (Act), that an order be made, under section 2.1 (1) (d) of the Act:**

   (a) abolishing the district of the Shire of Mundaring;

   [see Act s2.1 (1) (c)]

   (b) changing the boundaries of the district of the City of Swan to reflect those shown in Section 1.5 of the Appendices.

   [see Act s2.1 (1) (b)]

2. **pursuant to clause 10A (1) (a) of Schedule 2.1 to the Act, that an order be made, under section 2.2 (1) (e) of the Act:**

   (a) abolishing all of the wards into which the district of the City of Swan is divided;

   [see Act s2.2 (1) (d)]

   (b) dividing the district of the City of Swan into wards as shown on the map at page 300 of the Report.

   [see Act ss 2.1 (1) (a)]

3. pursuant to clause 10A (1) (a) of Schedule 2.1 to the Act, that:

(a) the order referred to at para 2 (b) above, which is required to include an order naming the wards, name the wards: Altone, Ballajura, Ellenbrook, Helena, Hills, Midland, North/Swan Valley as shown on the map at page 300 of the Report.

[see Act s2.3 (2)]

(b) an order be made under s2.18 (3) (b) of the Act, specifying that the number of offices of councillor for the wards be:

(i) Altone: 2 offices of councillors;

(ii) Ballajura: 2 councillors;

(iii) Ellenbrook: 2 offices of councillor;

(Iv) Helena: 2 offices of councillor;

(v) Hills: 3 offices of councillor

(vi) Midland: 2 offices of councillor;

(vii) North/Swan Valley: 2 offices of councillor.

[see Act s2.18 (3) (b)]

6.5 Inquiries into proposals affecting the City of Belmont and the Shire of Kalamunda

Overview of relevant proposals

This section presents the findings of the Board's Inquiries into proposals affecting the City of Belmont and Shire of Kalamunda.

Primary:

8. City of Belmont proposal: Boundary amendment to absorb the Shire of Kalamunda, with the addition of a portion of localities of Perth Airport, South Guildford and Hazelmere from the City of Swan, Welshpool from the City of Canning.

15. Shire of Kalamunda proposal 1: Amalgamation of City of Belmont and Shire of Kalamunda, with the addition of a portion of localities of Perth Airport, South Guildford and Hazelmere from the City of Swan, Welshpool from the City of Canning.

25. Shire of Kalamunda proposal 2: Boundary amendment to absorb the City of Belmont, with the addition of a portion of localities of Perth Airport, South Guildford and Hazelmere from the City of Swan.

Secondary:

1. Shire of Mundaring proposal: Amalgamation with City of Swan but ceding a portion of localities of Perth Airport, South Guildford and Hazelmere from the City of Swan. (For recommendation see Section 6.4)

2. Town of Bassendean / City of Swan proposal: Amalgamation with Shire of Mundaring but ceding a portion of localities of Perth Airport, South Guildford and Hazelmere. (For recommendation see Section 6.4)

05/2013 Minister's Proposal: Boundary amendment to the City of Belmont by absorption of the Shire of Kalamunda, with the addition of a portion of localities of Perth Airport, South Guildford and Hazelmere from the City of Swan, Welshpool from the City of Canning.

7. City of Canning proposal: Amalgamation with City of Gosnells, including retention of Welshpool locality. (For recommendation see Section 6.7)

18. City of Gosnells proposal: Boundary amendment with City of Canning, including retention of Welshpool locality. (For recommendation see Section 6.7)

Table 70 - Proposals to Local Government Advisory Board affecting the City of Belmont and the Shire of Kalamunda

Proposal number	Proposal name	Population estimate	Revenue estimate
8	City of Belmont proposal	100,000	Not stated
15	Shire of Kalamunda proposal (1)	Not stated	Not stated
26	Shire of Kalamunda proposal (2)	Not stated	Not stated
2	Town of Bassendean / City of Swan proposal	184,000	$223.5m
1	Shire of Mundaring proposal	145,000	$174m
7	City of Canning proposal	184,400	$170m
18	City of Gosnells proposal	184,400	$170m
05/2013	Minister's Proposal – City of Belmont and Shire of Kalamunda	91,900	$101.6m

8. City of Belmont proposal

The Proposal is to incorporate into the City of Belmont by a boundary amendment the whole of the district of the Shire of Kalamunda and a small portion of the localities of Perth Airport, South Guildford and Hazelmere from the City of Swan. In respect to the area concerned, the City of Belmont proposal is identical to the Shire of Kalamunda proposal 15, but differs in the proposed method of change – boundary change rather than amalgamation. Belmont indicates that equal representation with Kalamunda on the council of the new district was sought. As the Shire of Kalamunda refused this request, the City of Belmont submitted this proposal for a boundary change, where the City is extended to encompass the whole of the abolished Shire of Kalamunda, and parts of the Cities of Swan and Canning. A boundary extension proposal is considered by the City as the most efficient and cost effective option, and would deliver key elements of Directions 2031.The City of Belmont's underlying position is that it does not support the need to amalgamate with any other local government.

15. Shire of Kalamunda proposal 1

The Shire of Kalamunda Proposal 15 is to amalgamate with the City of Belmont with a boundary change to add a small portion of localities of Perth Airport, South Guildford and Hazelmere from the City of Swan, and Welshpool from the City of Canning. In respect to the area concerned, the Shire of Kalamunda proposal is identical to the City

of Belmont proposal, but differs in the proposed method of change – amalgamation rather than boundary change. The proposal differs to Belmont's in that it proposes abolition of both local governments to form a new local government (with additional territory from Swan and Canning). The Shire proposes wards with equal elector representation. The Shire argues that the combined resources of the two current local governments would provide a platform for longer term financial viability.

25. Shire of Kalamunda proposal 2

The Shire of Kalamunda's second Proposal 25 is for a boundary change to absorb the City of Belmont and incorporate a small portion of localities of Perth Airport, South Guildford and Hazelmere from the City of Swan. In respect to the area concerned, the Shire of Kalamunda Proposal 25 is similar to Kalamunda Proposal 15, but differs in that it does not include Welshpool (currently part of the City of Canning). The other key difference is that Proposal 25 is for a boundary change rather than amalgamation. It was submitted in response to the Belmont proposal, so that Kalamunda can be the continuing council and absorb Belmont rather than vice versa. *"The purpose of this proposal is to seek a boundary change over Belmont to ensure the outcome of equal electoral representation and democracy for the larger of the two populations of the two districts is achieved."*

2. Town of Bassendean / City of Swan proposal

The Town of Bassendean and City of Swan Proposal 2 is for a three way amalgamation with Shire of Mundaring, adding a portion of the City of Bayswater but ceding a small portion of localities of Perth Airport, South Guildford and Hazelmere from the City of Swan to the proposed Belmont – Kalamunda local government.

1. Shire of Mundaring proposal:

The Shire of Mundaring Proposal 1 is for amalgamation of the Shire with the City of Swan but ceding a small portion of localities of Perth Airport, South Guildford and Hazelmere from the City of Swan to the City of Belmont. In addition, a portion of Noranda would be ceded to the City of Bayswater.

7./18. City of Canning / City of Gosnells proposals

The City of Canning's proposal 7 accepted the transferring of that part of the City of Canning generally north of Leach Highway, east of Centenary Avenue, to the new combined City of South Perth/Victoria Park only on the basis that a major part of the Burswood Peninsula is to transfer to the City of Perth. The City does not support the transfer of Rossmoyne, Shelley, Riverton, Willetton to the combined Cities of

Melville/Fremantle and the transfer of Welshpool to the combined City of Belmont and Shire of Kalamunda. It is understood that the City of Canning no longer supports any change to its boundaries.

The City of Gosnells' Proposal 18 is essentially the City of Canning Proposal 7, but Gosnells proposes it as a boundary change to the existing City of Gosnells so that it remains in place and the City of Canning would be subsumed within the boundaries of that City. The City of Canning does not agree with this approach and prefered, as a second option, a direct amalgamation of the two cities.

05/2013 Minister's Proposal

The Proposal 5/2013 is for a boundary change to the City of Belmont through its absorption of the Shire of Kalamunda, with the addition of small portion of localities of Perth Airport, South Guildford and Hazelmere from the City of Swan, and Welshpool from the City of Canning. The proposal results in the consolidation of all Perth Airport land and the freight facilities to the south in one local government, rather than three, and allows for streamlined planning for transport links through the area with further development of the airport precinct. The City of Belmont is proposed as the continuing local government. The proposed new entity unites residential areas of similar character and would facilitate economies of scale and improved services for the community.

Common elements and points of difference of the proposals

There is considerable agreement between the Belmont and Kalamunda proposals and the Minister's proposal. The Minister's and Belmont's boundary change proposals cover exactly the same territory. The only difference with the Kalamunda Proposal 15 is in the proposed method of change. Kalamunda Proposal 15 was for an amalgamation, but this was followed up by Kalamunda Proposal 25 which was for a boundary change. In addition, there is agreement with the Bassendean / Swan and Mundaring proposals, in respect to the transfer of land parcels associated with the Perth Airport. However, there is disagreement with Canning / Gosnells as to whether Welshpool should be part of the Belmont Kalamunda local government, a point on which the Belmont, Kalamunda 15 and Minister's proposals agree (noting that Kalamunda Proposal 25 drops Welshpool).

The City of South Perth / Town of Victoria Park proposal incorporates a small riverside area of the City of Belmont known as Balbuk Reserve. The City of Belmont proposal does not reference Balbuk Reserve, but the City would be affected if the Board agreed with the South Perth / Town of Victoria Park proposal.

Current Situation

Table 71 - Vital statistics for the City of Belmont and Shire of Kalamunda

Vital statistics	Belmont	Kalamunda	Total
Area (land) (sq km)	39.7	324.2	364
Population (2013)	40,083	59,716	96,752
Average annual growth 2007/2012	3.6%	2.7%	2.1%
Population density (per sq.km.)	1010.0	184.2	274.2
Dwellings	16,780	21,216	37,996
Value of building activity *$m	$532m	$153m	$685m
Length of sealed roads (km)	227.9	604.5	832
No. Employees	221	256	477
Residents per employee	174.6	227.2	202.8
Total rate revenue ($)*	$37,692,525	$28,755,308	$66,447,833
Total operating revenue ($)*	$51,347,507	$48,435,465	$99,782,972
Total operating expenditure ($)*	$51,792,976	$53,360,735	$105,153,711
Total rate revenue per capita ($)	$977	$494	$687
Total operating revenue per capita ($)	$1,175	$2,048	$1,031
Total operating expenditure per capita ($)	$933	$1,614	$1,087
Average residential rate per assessment 2012/13* ($)	$929	$954	No data

Source: various, including ABS and information returns to WA Local Government Grants Commission
*Based on 2013-14 annual budget

Local government boundary changes

The original inhabitants of the Belmont/Kalamunda area are the Noongar people. The local government boundaries have been relatively stable in Belmont and Kalamunda since the formation of the two original local governments in 1898 and 1897. Previous local government reviews since the 1950s have included recommendations to enlarge Belmont but there have been no recommendations for major change to Kalamunda until the 2012 Metropolitan Local Government Review (Robson Report).In 1965 the Shires of Belmont and Kalamunda transferred by agreement 769 hectares of land in Welshpool to the Shire of Canning to allow Canning to facilitate its development for industrial

purposes through the provision of the necessary infrastructure, including the drainage system.

Proposals previously considered by the Local Government Advisory Board

The Board has considered a previous proposal for boundary adjustment affecting the City of Belmont, but has not considered any proposals affecting the Shire of Kalamunda. In 2007 the City of Belmont submitted a proposal for the Belmont Park Racecourse and its surrounding area (bounded by the Freeway and the Swan River) to be transferred from the Town of Victoria Park to the City of Belmont. At the conclusion of the inquiry process, and after comprehensive consultation with the public and relevant stakeholders, the Board recommended that the proposal be rejected on the basis that there was insufficient justification to support the proposal.

Regional cooperation and resource sharing

Regional cooperation in the area is strong, with the two local governments involved in the same regional groups. The Shire of Kalamunda and the City of Belmont are both members of the East metropolitan zone of WALGA, the Metropolitan Regional Road Group (28 other members), the South East Technical Sub-Group (5 other members) and the Perth Airport Municipalities Group along with 10 other local governments. Most significantly, the Shire of Kalamunda and the City of Belmont are both members of the Eastern Metropolitan Regional Council.

Belmont has combined for emergency management with Victoria Park in the Belmont / Victoria Park Local Emergency Management Committees (LEMC). The Shire of Kalamunda has its own LEMC, together with a Volunteer Bush Fire Brigade and Volunteer Fire and Rescue units. The Belmont / Victoria Park LEMC is represented on the South East District Emergency Management Committee (DEMC), which is primarily focused on ensuring that LEMC strategies align with those of adjacent LEMCs. The Kalamunda LEMC is a member of the Eastern Metropolitan DEMC.

Demographic Characteristics and Trends

Projected population growth in Belmont and Kalamunda through to 2026 is considerably lower rate (10.7%) than for metropolitan Perth as a whole (29.9%), refer to Table 72.

Table 72 - Local government population 2006 to 2026

Local Government	Estimated Population*	Projected Population*					
	2011	2016	% Growth from 2011	2021	% Growth from 2011	2026	% Growth from 2011
Belmont	37,358	38,000	1.7%	39,700	6.3%	41,600	11.4%
Kalamunda	56,492	58,900	4.3%	60,600	7.3%	62,300	10.3%
Belmont / Kalamunda	93,850	96,900	3.2%	100,300	6.9%	103,900	10.7%
Metro Perth	1,752,500	1,939,500	10.7%	2,105,700	20.2%	2,276,900	29.9%

*Source: Western Australian Planning Commission (2012) WA Tomorrow (Band C projections) http://www.planning.wa.gov.au/dop_pub_pdf/PlanningSummary.pdf

The Board considered detailed demographic information in respect of the proposals, drawing on the analysis it commissioned by Geografia.[79] Several measurements of demographic characteristics such as population size and growth, and distribution by age, occupation and location provide information relevant to the inquiry. Belmont has higher percentages of children (under 4) and seniors (over 65) compared to Kalamunda. The latter however has identified that its ageing population, particularly in the Hills area, is growing at a rate 15% higher than the greater metropolitan area, giving rise to an urgent need to diversify the housing stock in the Shire to include more compact housing for older people so they can age in place.[80] The median age is higher in Kalamunda, as are household incomes and the percentage with university qualifications. Belmont has more high and medium density housing, which is also higher than the metropolitan area generally. Belmont also has a larger percentage of indigenous and lone person households. Both areas have a higher unemployment rate than the metropolitan average. In the combined area, the largest areas of employment were services, including health care and social assistance (10.9%) and retail (10%), and construction (9.3%) and manufacturing (9.1%). There are similarities in the employment profile, but Belmont has a higher percentage of plant and machinery operators; Kalamunda has more professionals. These differences flow on to higher incomes for Kalamunda residents. Consequently the Belmont local government has a

[79] Metropolitan Local Government Reform Demographic Analysis, Geografia 2014
[80] http://www.kalamunda.wa.gov.au/About-Us/News-Publications/Publications/Kalamunda-Advancing-Strategic-Community-Plan-to-2023?type=publication Kalamunda Advancing: Strategic Community Plan to 2023

higher level of socio-economic disadvantage compared to Kalamunda and the metropolitan area generally. Demographic factors are not considered a major factor in assessing the proposal.

Service Population

There is some benefit in considering service population in addition to resident population. Service population includes the workforce using the services in the municipality on a weekday basis. Conversely, a significant percentage of the resident population of most metropolitan local governments (such as Kalamunda) leave the local area each day to work elsewhere. Service population also includes visitors to the area, including students, day-trippers and tourists.

Belmont has a significant net inflow of workers. While there were 17,315 employed residents at the 2011 Census, there were 33,639 people working in the area. Belmont-Victoria Park, as defined by Tourism Western Australia, has in recent years attracted an average of 92,000 domestic visitors and 36,300 international visitors, for a total of 128,300 visitors and 1.34 million estimated visitor nights. (These figures include Burswood Resort).[81]

Community of Interest

The Board has previously expressed the view that the external boundaries of a local government should reflect distinct communities of interest wherever possible. The following observations about communities of interest in Belmont and Kalamunda and adjacent areas were noted.

[81] http://www.tourism.wa.gov.au/Publications%20Library/Research/Research%20and%20Reports/LGA%20and%20SA2%20Fact%20Sheets/2012/Belmont%20-%20Victoria%20Park%202012.pdf

Table 73 - Localities affected by the Belmont / Kalamunda proposals

Locality	Pop. (2011 Census)	Current City of Belmont	Current Shire of Kalamunda	City of Belmont proposal 8	Shire of Kalamunda (1) proposal 15	Shire of Kalamunda 2 proposal 25	Minister's Proposal 05/2013
Bickley	274	No	Yes	Yes	Yes	Yes	Yes
Canning Mills	45	No	Yes	Yes	Yes	Yes	Yes
Carmel	259	No	Yes	Yes	Yes	Yes	Yes
Forrestfield	5,205	No	Yes	Yes	Yes	Yes	Yes
Gooseberry Hill	1,464	No	Yes	Yes	Yes	Yes	Yes
Hacketts Gully	19	No	Yes	Yes	Yes	Yes	Yes
High Wycombe	4,803	No	Yes	Yes	Yes	Yes	Yes
Kalamunda	3,228	No	Yes	Yes	Yes	Yes	Yes
Lesmurdie	3,060	No	Yes	Yes	Yes	Yes	Yes
Maida Vale	1,737	No	Yes	Yes	Yes	Yes	Yes
Paulls Valley	76	No	Yes	Yes	Yes	Yes	Yes
Pickering Brook	241	No	Yes	Yes	Yes	Yes	Yes
Piesse Brook	84	No	Yes	Yes	Yes	Yes	Yes
Walliston	470	No	Yes	Yes	Yes	Yes	Yes
Wattle Grove	1,947	No	Yes	Yes	Yes	Yes	Yes
Ascot	1,129	Yes	No	Yes	Yes	Yes	Yes

Locality	Pop. (2011 Census)	Current City of Belmont	Current Shire of Kalamunda	City of Belmont proposal 8	Shire of Kalamunda (1) proposal 15	Shire of Kalamunda 2 proposal 25	Minister's Proposal 05/2013
Belmont	6,254	Yes	No	Yes	Yes	Yes	Yes
Cloverdale	7,239	Yes	No	Yes	Yes	Yes	Yes
Kewdale	6,204	Yes	Part	Yes	Yes	Yes	Yes
Redcliffe	4,809	Yes	No	Yes	Yes	Yes	Yes
Rivervale	8,403	Yes	No	Yes	Yes	Yes	Yes
Perth Airport	NA	Part	No	Yes	Yes	Yes	Yes
Hazelmere	NA	No	No	Part	Part	Part	Part
South Guildford	NA	No	No	Part	Part	Part	Part
Welshpool	NA	No	No	Part	Part	No	Part

Journey to work: According to the 2011 Census, there were 33,639 people who worked in the City of Belmont; 3,905 or 11.6% also lived in the City. The majority of the City of Belmont's working residents (11,252 or 65%) travel outside of the area for employment. Significant numbers of Belmont residents travel to Perth, Canning and Victoria Park for employment. Of the 27,140 workers who live in the Shire of Kalamunda, 6,445 or 23.7% work in the Shire. The majority of the Shire of Kalamunda's working residents (17,582 or 64.8%) travel outside of the area for employment, reflecting the relatively fewer job opportunities within the Shire. A significant percentage of workers (2,221, 8.2%) travel to Belmont for employment. Belmont is the fourth most significant destination for Kalamunda residents, with similar numbers going to Canning and Swan. Apart from the lower numbers of Belmont residents travelling to Kalamunda for work (just 327, or 1.9%), the commuting patterns of the residents of both areas are relatively similar. Belmont has a very high self-containment rate (194%), reflecting the excess of jobs over resident workers. The situation for Kalamunda is reversed (48.5%). Putting the two areas together creates a situation almost of balance (105%), suggesting that there are slightly more jobs in the Belmont Kalamunda area than there are resident workers.

Educational Facilities: The boundaries of the Belmont and Kalamunda areas contain an estimated eighteen government primary schools, six Catholic primary schools, several other private primary schools, four government high schools (Belmont City College, Darling Range Sports College, Kalamunda and Lesmurdie Senior High Schools) and five private colleges (Carmel Adventist, Heritage College, Mazenod, St Brigid's, Australian Islamic College). Most of the City of Belmont is covered by the local intake area of Belmont City College, while high school students living in the Shire of Kalamunda attend either the Lesmurdie or Kalamunda Senior High Schools or Darling Range Sports College. Lesmurdie Senior High School's optional intake area also includes small parts of Gosnells and Armadale. The private colleges tend to draw the majority of students from across a wider area. There are no major or public technical or tertiary training providers in the Belmont and Kalamunda area.

Newspaper circulation: The Belmont and Kalamunda areas generally receive different local newspapers. Suburban papers currently circulated in the area include the Southern Gazette (circulation area includes Belmont, Victoria Park, South Perth), Midland/Kalamunda Reporter (circulation area includes Kalamunda), Hills/Avon Valley Gazette (circulation area includes Kalamunda) and the Kalamunda Echo (circulation area includes Kalamunda).

State Electoral Districts: The State Legislative Assembly seat of Belmont broadly follows the existing local government area of Belmont, noting that part of the Welshpool area in the City of Canning proposed to go into Belmont is also part of the Belmont

electorate (albeit with few residents or electors). The Shire of Kalamunda spills across the seats of Forrestfield and Kalamunda, and the eastern portion is in Darling Range. These electorates are part of the East Metropolitan Region for Legislative Council elections.

Commonwealth Electoral Divisions: The area affected by the proposals for Belmont and Kalamunda are located within three Federal divisions: Swan (encompassing all of the City of Belmont, with the Swan River forming the boundary between the electorate and the Federal electorate of Perth); Hasluck (which includes the western portion of the Shire of Kalamunda, including High Wycombe, Forrestfield, Kalamunda and Lesmurdie, and parts of the local governments of Gosnells, Mundaring and Swan) and Pearce (which includes the eastern portion of the Shire of Kalamunda, including Bickley, Carmel and Pickering Brook). Pearce also includes parts of numerous other local governments through to Gingin.

Public transport: Bus services provide the most critical public transport service for the residential suburbs and business areas of Belmont and Kalamunda. Various bus routes link Kalamunda suburbs to Perth and other centres including Belmont**,** Victoria Park**,** Cannington, Midland and South Guildford. The development of the proposed new rail infrastructure through Belmont and out to Forrestfield will be a significant factor in connecting the communities in future. Consistent with the *Public Transport for Perth in 2031* network plan the rail network would be expanded by adding a rail spur to service the Airport and the Hills area, a station is proposed at the new consolidated airport terminal and in the vicinity of the current Domestic Airport terminal, with a park and ride and bus interchange to service the hills and foothills area. The proposed Airport West Station would be an important employment and business centre.

Community of Interest: Summary and Comment

While there is an obvious divide between hills and foothills communities (even within the current Kalamunda Shire), the Board considers there are significant community of interest links between the Belmont and Kalamunda areas:

- There are some similarities in demographic characteristics.
- There are some similarities in industry of employment and journey to work patterns.
- The area is in the same Legislative Council electoral region (albeit divided in two complementary Legislative Assembly seats).
- There are existing and planned transport links connecting the communities.

- The future of Perth Airport is an important consideration for residents of both areas.

While of themselves these observations do not provide a compelling argument for the amalgamation of Belmont and Kalamunda, they indicate that there are no compelling points of difference between the various localities affected by the proposed change to suggest that an amalgamation should not happen.

Economic Considerations

The economic activity in Belmont and Kalamunda includes major industrial areas and a mix of service industries including health, education, retail, hospitality and other professional services. Increasingly commercial offices are moving into the Belmont area with good access to the Perth city centre. While the area has no strategic metropolitan centre, it has a secondary centre in Belmont and district centres in Forrestfield and Kalamunda. Importantly the area contains the strategic specialised centre of Perth Airport and industrial areas of Kewdale.

Business and economic development did not appear to the Board to be a key focus of the Shire of Kalamunda; an Economic Development Strategy was prepared in 2010 but was not available through the Shire's website. Business is a major focus of the City of Belmont and it has established a Belmont Business Advisory Group coordinated by the City's Property and Economic Development Team to provide meaningful communication between the business and Council and considers issues such as future town planning, land use and other issues of concern to the business community. Both local governments express a community aspiration to increase opportunities for business, so there is a basis for working towards common goals.

Public Infrastructure

Significant public and private infrastructure is already present in this part of the Perth region. It includes the roads and rail network, health and education establishments, and sporting facilities. The new entity will contain infrastructure of State significance, including the Perth Airport, the Kewdale Intermodal Freight depot and the State's bulk grain handling centre. The new local government will be intersected by a number of major roads and highways including Great Eastern Highway, Orrong Road (a boundary road), Welshpool Road, Roe, Leach and Tonkin Highways. Gateway WA (the Perth Airport and Freight Access Project) is the largest infrastructure project ever undertaken by Main Roads WA and aims to improve the safety and efficiency of a critical transport hub, where road, rail and air services connect. The Kewdale-Hazelmere transport,

logistics and industrial precinct is also of strategic importance to Perth and WA. The efficient movement of freight in Western Australia is essential to the state economy.

The local government infrastructure in the Belmont and Kalamunda area includes:

- Governance infrastructure: Belmont Civic Centre, Kalamunda administration centre.
- Major roads: Welshpool Road (part MRWA), Abernethy Rd, Canning Rd, Kalamunda Rd.
- Recreation facilities: Hartfield Park Recreation Centre, High Wycombe Community & Recreation Centre, Ray Owen Sports Centre, Belmont Sport and Recreation Centre, Belmont Oval, Gerry Archer Athletic Centre, Cloverdale, Forster Park.
- Parks and gardens include Faulkner Park, Adachi Park, Tomato Lake, Stirk Park.
- Aquatic Centres: Belmont Oasis, Kalamunda Water.
- Libraries: Belmont, Kalamunda, High Wycombe, Forrestfield, Lesmurdie.
- Senior Citizens Centres: Belmont, Forrestfield, Kalamunda.
- Waste transfer stations: Kalamunda.
- Depots: Kalamunda, Carlisle (City of Belmont Operations Centre, located in the Town of Victoria Park).
- Cultural assets: Kalamunda Performing Arts Centre, Zig Zag Cultural Centre, History Village Museum and other heritage buildings.

There does not appear to be any significant local government infrastructure (other than roads) in the Welshpool portion of the City of Canning proposed to be transferred to this local government. There does not appear to be any significant local government infrastructure (other than roads) in the portion of the City of Swan (the airport land) proposed to be transferred to this local government. However, the Belmont submission notes that the inclusion of the additional airport land also brings with it significant obligation to the proposed new City by way of infrastructure works.

This information confirms the conclusion that the area is well served with public and private infrastructure. The Board considers that any change in local government arrangements in the region is unlikely to negatively affect this infrastructure, and most non-local government infrastructure providers are likely to welcome a consolidation of local governments to simplify consultation and management arrangements. Any change

in local government boundaries is not likely to lessen the amenity or diminish the access to facilities and services enjoyed by residents of the area.

Environmental Context

The environmental context of this area can be summarised as being partly on the Swan coastal plain and partly in the Darling Range foothills and scarp. The area is bordered on the west by the Swan River. The Helena River forms the boundary between the Shire of Kalamunda and the Shire of Mundaring. The City of Belmont has a river frontage of 11kms in length; more than one third of the City's total border length is river frontage, making the Swan River a significant asset to the City's amenity. The document *Belmont Foreshore – 2013 and Beyond* has been developed to guide future activities and development along the Belmont Foreshore. Most of the eastern area of the Shire of Kalamunda is national parks and reserves; the Shire maintains 560 hectares of natural bushland reserves. Significant Bush Forever sites are located at Ascot Waters and Perth Airport, with the latter 629 hectare Bush Forever Site 386 site extending from Belmont into the City of Swan and Shire of Kalamunda.

The City of Belmont developed an Environmental Management System (EMS) in 2006, certified to the AS/NZ: ISO 14001: 2004 standard. The Environmental Management System is used to develop and implement an environmental policy, set objectives and targets, manage environmental aspects and impacts and comply with environmental legal requirements. Belmont also has a Local Biodiversity Strategy, developed in partnership with the Town of Bassendean and City of Bayswater, and various other environmental plans and strategies. The strategic objectives: *Protect and enhance our natural environment* and *Enhance the City's environmental sustainability through the efficient use of natural resources* are included in Belmont's Strategic Community Plan.

The Shire of Kalamunda has a variety of environmental strategies, plans and policies relevant to the management of biodiversity and sustainability. Some documents are currently under review and others are to be developed, including a Conservation Atlas and District Conservation Strategy. Plans currently available on the Shire website include a Local Biodiversity Strategy, a Regional Climate Change Adaptation Action Plan and a Water Action Plan. The Shire of Kalamunda Strategic Community Plan includes a number of strategic outcomes and strategies for the protection of natural resources from the impact of unsustainable development.

Local Government

Both Belmont and Kalamunda have largely completed the statutory requirements under the integrated planning framework. These documents provide a foundation for

integrating the planning for the future for the new local government entity. As the Kalamunda submission notes, these plans will place the new local government in a good position to plan for the future and ensure that its assets are maintained at an acceptable level. Excerpts from the respective strategic community plans show a common aspiration for opportunity and diversity. The two local governments have approximately 470 employees (FTE) in total, with duplication in many roles including Chief Executive Officers and other senior directors. The Board notes that there has been a significant increase in the number of staff employed in Kalamunda relative to the growth in population over the last 10 years.

Notable facilities in the Shire of Kalamunda include the Performing Arts Centre, History Village and Water Park. Faulkner Park houses Belmont's Civic Centre, Library, Senior Citizens Centre, Oasis Leisure Centre, feature playground, skate park and Historical Museum. The councils provide a range of services, some of which would be overlapping or complementary. For example, the Kalamunda Home and Community Care (HACC) Services Community Care provides a range of support services. The City of Belmont also coordinates several State and Commonwealth Government funded services to address this specific need in the community.

The Shire of Kalamunda submitted to the Board that it provides a much higher level of community servicing than does the City of Belmont. *"Whilst Belmont claims its level of service is higher, when service levels are compared the claim is not justified. By way of example, the Shire has four libraries to one in Belmont, three recreation centres and an aquatic centre to one in Belmont, a History Village museum that is of a considerably larger scale than Belmont's museum, two men's sheds, over 70 Community Groups leasing various Shire owned facilities, two adult learning centres, two seniors centres, a performing Arts Centre, a Cultural Centre and Visitors Centre of which Belmont has nothing to compare."* The City does not agree with the Shire of Kalamunda's assertion that it provides a superior level of service, citing the City's certification to internationally recognised quality assurance standards.

The Board considers that as a result of a merger there is likely to be some scope for rationalisation of infrastructure and equipment while at the same time maintaining effective and efficient delivery of services. At present, the proposed area includes two council offices / civic centres and two depots. Libraries and other major facilities, such as aquatic centres, would continue to operate and not be affected by the proposed boundary changes. The Board's view is that the effective delivery of local government services would be maintained and potentially enhanced by the proposed merger of Belmont and Kalamunda, which would have the capacity and resources to deliver services to at least a comparable standard to those currently provided.

Each local government has the required local planning strategies and town planning schemes to guide and control development in their respective areas. Directions 2031 has a target of about 11,500 new dwellings in this area by 2031. The City of Belmont submitted that the new district will provide for contemporary planning practices through its Local Planning Scheme 15 (December 2011). The City claims that its scheme is expandable and would provide a sound basis for a combined LPS. The Metropolitan Central Joint Development Assessment Panel (JDAP) covers Belmont and six other local government areas. The Shire of Kalamunda is covered by the Metropolitan East JDAP.

A significant proportion of the population increase in both Belmont and Kalamunda will come as a result of infill development, with limited new development. The existing infrastructure of commercial centres, community facilities, schools, transport, sewer and other services provide the basis to encourage redevelopment and support increased residential density and more diverse housing types to accommodate future growth.[82] The Shire of Kalamunda submission 2 notes the great potential for growth in the vicinity of Perth Airport, the Forrestfield freight terminal, and transit-oriented development related to the proposed new train station in the current Shire of Kalamunda. Much of this development is inter-related, for example, Abernethy Road provides a link between the airport (Belmont) and the freight industries in Forrestfield and High Wycombe (Kalamunda). The Shire suggests that bringing these areas under the control of a single local government will allow planning and development to be coordinated and consistent.

Local Government Finance

With a diverse rate base that includes diverse commercial, retail and residential properties, the combination of Belmont and Kalamunda is expected to be a financially strong local government, with future operating revenue of over $100m. GRV rates (cent in the dollar) are currently lowest in Belmont and highest in Kalamunda, reflecting the revenue generated by the significant commercial sector in the City of Belmont. The Shire of Kalamunda submission 2 also notes that the ex-gratia payment received by Belmont from the Airport effectively subsidises the residents of Belmont to the effect of 20%, and that this is a significant benefit for such a small community.

There would be no effect on the total financial assistance grant entitlements, with the new entity receiving the total of the current entitlements of the constituent local governments. The general purpose component (at $21.01 per capita) would amount to $1.7 million (based on the combined Belmont and Kalamunda populations). The

[82] http://www.belmont.wa.gov.au/Services/Planning/Documents/Supporting%20Document%20-%20Local%20Planning%20Scheme%2015%20-%20Local%20Housing%20Strategy%20Report.pdf p9

combined road grant component (2013/14 entitlement) is $0.743 million. Collectively these grants account for only 1.9% of the combined local government's current revenue. Additions or subtractions to the proposed area (e.g. Welshpool) will have some marginal impact on the grants in proportion to the number of people and length of roads affected.

Table 74 - Local government financial data for the City of Belmont and Shire of Kalamunda

Financial data	Belmont	Kalamunda	Total
Total rate revenue *	$37,692,525	$28,755,308	$66,447,833
Total operating revenue	$51,347,507	$48,435,465	$99,782,972
Total operating expenditure*	$51,792,976	$53,360,735	$105,153,711
Total rate revenue per capita	$977	$494	$1,722
Total operating revenue per capita	$1,330	$833	$2,585
Total operating expenditure per capita	$1,342	$918	$2,724
Average residential rate per assessment 2012/13*	$929	$954	No data
Rates as % of operating revenue	73.4%	59.4%	66.6%
Residential rates as % of rates	40.6%	75.0%	55.5%
Commercial rates as % of rates	57.2%	19.2%	41.9%
UV rates as % of rates	0.0%	2.0%	0.9%
Employee Costs	$20,239,673	$21,139,828	$41,379,501

*Based on 2013-14 annual budget

Table 75 - Rate in dollar GRV (2013/14 budget)

Council	Minimum Rate (2013/14)	Residential Improved GRV Rate/$	Commercial Improved GRV Rate/$	Industrial Improved GRV Rate/$	UV Rate/S
Belmont	$755	0.054855	0.063632	0.063906	N/A
Kalamunda	$755	0.05738	0.06306	0.06727	0.00273
Canning *	$540	0.068	0.068	0.068	N/A
Swan *	$805	0.06945	0.08499	0.08499	0.00305

* Note: only portions of these areas to be incorporated into this proposed local government

With the assistance of the affected local governments information has been compiled for the Board in respect of the areas affected by these proposals (Table 76-77).

Table 76 - Key financial information for the Minister's Proposal 05/2013 – City of Belmont and Shire of Kalamunda, the City of Belmont's Proposal 8 and the Shire of Kalamunda's Proposals 15

Minister Proposal 05/2013, Proposal 8 & 15 Belmont/Kalamunda	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Belmont	$52,084,909	$47,511,561	$36,577,778	$8,702,375	$723,606
Kalamunda	$46,287,743	$48,444,518	$26,266,903	$10,551,161	$2,324,782
Add: Swan - Perth Airport	$1,603,720	$104,702	$1,603,720	$104,702	$1,603,720
Add: Canning - Welshpool	$6,989,269	$4,407,494	$4,457,992	$1,695,551	$138,114
TOTAL	$106,965,641	$100,468,275	$68,906,393	$21,053,789	$4,790,222

Table 77 - Key financial information for the Shire of Kalamunda's Proposal 25

Proposal 25 - Kalamunda	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Belmont	$52,084,909	$47,511,561	$36,577,778	$8,702,375	$723,606
Kalamunda	$46,287,743	$48,444,518	$26,266,903	$10,551,161	$2,324,782
Add: Swan - Perth Airport	$1,603,720	$104,702	$1,603,720	$104,702	$1,603,720
TOTAL	$99,976,372	$96,060,781	$64,448,401	$19,358,238	$4,652,108

Table 78 - Comparative summary for Belmont / Kalamunda proposals

Belmont/Kalamunda under:	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Proposal 05/2013, 8 & 15	106,965,641	100,468,275	68,906,393	21,053,789	4,790,222
Proposal 25	99,976,372	96,060,781	64,448,401	19,358,238	4,652,108
Difference	6,989,269	4,407,494	4,457,992	1,695,551	138,114

Financial health checks

In the Department of Local Government's 2009 Local Government Reform Steering Committee report, Belmont was rated as Category 1 and Kalamunda as Category 2, the latter being in the category 'Requiring structural reform including amalgamation, boundary adjustments and formalisation of regional groupings to enhance organisational and financial capacity.' The independent expert analysis of the financial position of local governments conducted for the Metropolitan Local Government Review Panel included a five-year analysis of sustainability measures. Belmont was rated as sustainable, and Kalamunda was rated as vulnerable. A financial health check (based on the 2012-13 annual financial statements) undertaken by the Department of Local Government and Communities has assessed the position of Belmont as 'strong' and Kalamunda as 'good'.

Financial Sustainability Analysis

The Western Australian Treasury Corporation (WATC) was commissioned to undertake a comparative analysis of the financial sustainability of existing and proposed metropolitan local governments. The financial analysis by WATC was based on the seven (7) financial ratios on which local governments are required to report, considering the past four financial years using the annual financial statements, and the forward looking next four years based on the financial plans, with seven years of data (2010-2017) to derive a Financial Sustainability Score as follows:

Table 79 - Financial Sustainability Scores (FSS)

FSS for current and proposed authorities	2010-2013	2010-2017
Existing Belmont	88	79
Existing Kalamunda	57	57
Minister Proposal 05/2013	83	83
Belmont Proposal 8	83	83
Kalamunda Proposal 1 (15)	83	83
Kalamunda Proposal 2 (25)	79	77

Source: WA Treasury Corporation. The FSS for all current metropolitan local governments and the proposed restructured local governments are included in Section 4 of the Appendices.

Proposal 05/2013 eliminates the significant differential between the existing City of Belmont and Shire of Kalamunda. The resulting FSS is only marginally lower than the higher scoring existing Belmont but substantially above the lower scoring existing Kalamunda. The proposal is an overall improvement considering the large differential between the stand-alone entities. The ratio analysis shows the merged entity is a well-balanced local government in all areas except for current ratio, which reflects the below benchmark performance of existing Belmont and Kalamunda, and shows as the only area of noticeable weakness. The WATC advised that this should not be viewed as a serious impediment to considering this proposal given the strength of all other ratios and projected financial performance. The inclusion of Welshpool from the City of Canning improves the outcome, as can be seen in the difference between the scores of Kalamunda Proposal 1 and 2.

Table 80 - Financial Ratios 2012/13

Local Government	Current Ratio	Debt Service Coverage	Own Source Revenue	Operating Surplus	Asset Consumption	Asset Sustainability	Asset Renewal
Belmont	1.55	11.68	1.01	0.10	0.64	1.61	0.96
Kalamunda	1.16	10.54	0.87	0.031	0.73	1.00	1.00

Submissions to the Local Government Advisory Board

Submissions were provided to the Board during the advertised public submission periods by local governments, industry groups, local businesses and affected ratepayers. A summary of these submissions is detailed below. Note the following summaries are the position put forward by those making the submission.

The Shire of Kalamunda's second Proposal 25 is one of the four later proposals which prompted the additional public submission period concluding on 26 June 2014.

Local government submissions:

City of Belmont

The City of Belmont submitted that its proposal enhances the vision of Directions 2031, and would deliver demonstrable good governance, based on the City's governance principles, structures and processes. The boundary extension option is considered the most efficient and cost effective option. The City of Belmont proposal will be delivered by an industry leading reputable Council and highly qualified and stable executive and management team demonstrating wisdom and with many years of experience.

This proposal will create a local government with a population approaching 100,000. It will consist of urban and rural components providing for a challenging and diversified mix of service opportunities. Service rationalisation and extension opportunities exist, eg: City of Belmont security services expanded, where practicable, to the new district. Extended service provision options will no doubt improve various amenities for residents of Kalamunda. The new district will also contain the Kewdale-Hazelmere transport, logistics and industrial precinct and the Perth Airport precinct, all of strategic importance to Perth and WA and identified in Directions 2031. It is clear that the Perth Airport is an essential and significant element of the State's economy and it is crucial for the relationship between Perth Airport and Local Government to be positive and supportive. The incorporation of Perth Airport within one local government is strongly supported by Perth Airport Pty Ltd. The City of Belmont has worked tirelessly for almost 30 years to establish a professional and effective partnership with Perth Airport.

The City of Belmont proposal would provide for contemporary planning practices through its December 2011 Local Planning Scheme 15. This industry leading LPS is expandable and will provide a sound basis for a combined LPS which will deal with this changing environment. Addressing the State's objectives through planning schemes that are scalable to meet such objectives is essential.

Shire of Kalamunda

The Shire of Kalamunda opposes both Proposal 05/2013 and Proposal 8 on the basis of its general opposition to amalgamation. The Shire of Kalamunda's Proposal 15 (October 2013) addressed the benefits of an amalgamation, but it's later Proposal 25 (March 2014) did not reiterate the benefits, but argued for a boundary change rather than amalgamation.

The Shire of Kalamunda considers that the combined resources of the two current local governments provide a platform for longer term financial viability with increased capacity and a better framework to assess the range of services provided to all sectors of the community. It is anticipated that there will be many opportunities to implement efficiencies in utilisation of resources across the new organisation from obvious synergies and a detailed assessment of the services provided to eliminate duplication. This may provide for the expansion of a service already provided or meet identified needs not already serviced by the current individual local governments. Service areas that could immediately benefit include seniors and aged services, economic development, environmental sustainability, youth services, disability services and health and wellbeing services. Any savings identified through this process will also provide added strength to the financial viability of the new entity.

A larger local government will have a greater ability to advocate and negotiate with the State and Federal Governments. There will also be fewer local governments competing for available funding. This should lead to increased grant funding for the delivery of projects. The proposed new local government will bring together under one decision making and planning entity some of the most strategically important infrastructure assets of the State and Federal Governments, including the Perth Airport and road and rail freight routes and terminals.

The current rating structures of the City and the Shire are similar. The rates in the dollar for the two local governments are very similar. The similar rates that are charged by the Shire and the City should lessen the impact of amalgamation on ratepayers. An amalgamation between the City of Belmont and the Shire of Kalamunda would result in a very diverse and exciting local government area that will contain a broad mix of residential, commercial and light industrial properties, rural and semi-rural activities, national and state forest as well as a significant water catchment area feeding into the Swan and Helena river systems. The merger will allow for the improved coordination of environmental management of an important environmentally sensitive and highly valued region.

Other submissions

Around 90 per cent of the 130 submissions in support of the Minister's proposal (05/2013) were from residents of the Shire of Kalamunda, primarily in localities closer to Belmont such as Forrestfield, Maida Vale and High Wycombe. A common theme of these submissions was a perception that the current Shire of Kalamunda was overly focused on providing services in localities around Kalamunda, to the detriment of its more urban localities. Some discontent was also expressed with the past financial management of the Shire's administration.

Over 85 per cent of the 4025 submissions against Proposal 05/2013 were also from residents of the Shire of Kalamunda. As with the other 15 per cent, mostly from residents of the Belmont district, the overwhelming view of these respondents was that the two districts were demographically and environmentally incompatible, and that no case had been made to support any change to the status quo. Almost 90 per cent of the 131 submissions in support of the City of Belmont's proposal (8) were also from the residents of more urban localities in the district of Kalamunda who felt that they would be better served by a local government based in Belmont. Almost 80 per cent of the 3565 submissions against the proposal were also from the Kalamunda district, with most of the remainder from residents of the City of Belmont. Reasons given for opposing the proposal were generally similar to those given in opposition to Proposal 05/2013.

Almost all submissions lodged in support of the Shire of Kalamunda's proposal (15), for any merger to occur through amalgamation rather than boundary amendment, came from residents of the Shire of Kalamunda. A common theme of these submissions was that an amalgamation process with the opportunity for access to poll provisions was considered the second best option to retention of the status quo. However, almost 65 per cent of submissions against the Kalamunda proposal were from residents of the City of Belmont, though most of the remaining 35 per cent were from residents of the Shire. The principal argument, however, was support for retention of the status quo, as respondents from both districts were overwhelmingly supportive of the opportunity for a poll despite rejecting the proposal itself on the basis of opposing amalgamation.

Following the second consultation period, nine public submissions were lodged in support of Proposal 25, most from Kalamunda residents supportive of the current Shire council and administration. There were 48 submissions against the proposal, over 60 per cent from residents of Belmont either supportive of an expanded

Belmont district or retention of the status quo (with a small number from Kalamunda also opposed to any change to the status quo).

A number of parliamentarians lodged submissions expressing a variety of views. Three MPs supported a merging of the districts of Belmont and Kalamunda, but had differing views as to whether this should be by amalgamation or boundary change. One voiced support on the basis that an extended 'Belmont-Kalamunda' district that includes all of Perth Airport and the Kewdale Freight Terminal will benefit the coordinated planning and management of critical infrastructure in the region. Another MP presented a contrary view, citing the lack of community of interest and community opposition to a merger of their districts without a referendum.

Perth Airport expressed support for Proposals 05/2013 and 8 (though it would also accept Proposal 15), emphasising its support for situating the airport precinct in a single local government, preferably based around the existing City of Belmont, to ensure consistent planning decisions.

Table 81 - Submissions lodged on proposals

Origin of submissions	**Number of submissions**							
	Proposal 05/2013		**Proposal 8**		**Proposal 15**		**Proposal 25**	
	For	Against	For	Against	For	Against	For	Against
Local governments	0	3	1	2	1	2	0	1
Stakeholders	4	17	2	13	5	7	0	3
Individuals	130	4025	131	3565	2936	939	9	48
Totals	**134**	**4045**	**134**	**3580**	**2942**	**948**	**9**	**52**

The Shire of Kalamunda also distributed a template submission form within its district, supporting Proposal 15 and opposing Proposals 05/2013 and 8. It was returned by 1518 respondents. The City of Belmont subsequently distributed, during the second consultation period, a template submission card within its district, but one which gave respondents the option of supporting or opposing Proposal 25 (though the City's advertising encouraged opposition). These were returned by 1266 respondents, 10 supporting Proposal 25, and 1256 opposing it.

Table 82 - Petitions lodged on proposals

Creator of petition	**Number of signatures**							
	Proposal 05/2013		**Proposal 8**		**Proposal 15**		**Proposal 25**	
	For	Against	For	Against	For	Against	For	Against
Belmont residents	N/A	N/A	0	6	N/A	N/A	N/A	N/A
Totals	N/A	N/A	0	**6**	N/A	N/A	N/A	N/A

Table 83 - Summary information for current City of Belmont and Shire of Kalamunda and Proposals 8, 15, 25 and 05/2013

Summary information	Belmont	Kalamunda	Belmont Proposal 8 / Kalamunda (1) Proposal 15	Kalamunda (2) Proposal 25	Minister's proposal 05/2013
Population 2013	40,083	59,716	96,752	96,752	96,752
% variation from 100,000 in 2013	-60%	-40%	-3.25%	-3.25%	-3.25%
Population 2026	45,360	64,433	109,461	109,461	109,461
Population 2050	52,434	70,473	122,249	122,249	122,249
Strategic centres	Belmont Perth airport (Specialised)	None	Belmont Perth airport (Specialised)	Belmont Perth airport (Specialised)	Belmont Perth airport (Specialised)
Future industrial sites	None	Forrestfield	Forrestfield	Forrestfield	Forrestfield
Additional dwelling Target (D2031)	5500	11,000 to 14,000	16,500 to 19,500	16,500 to 19,500	16,500 to 19,500
Local employment %	194%	48.5%	105%	105%	105%
Total FTE (2010-11)	209	260	469	469	469
Total Expenditure	$51,792,976	$53,360,735	$105,153,711	$98,164,442	$105,153,711
Total Rates	$37,692,525	$28,755,308	$66,447,833	$61,989,841	$66,447,833
Average residential GRV	17,007	17,018	No data	No data	No data

Summary information	Belmont	Kalamunda	Belmont Proposal 8 / Kalamunda (1) Proposal 15	Kalamunda (2) Proposal 25	Minister's proposal 05/2013
Average residential rate	$929	$954	No data	No data	No data
Residential GRV rate in $	0.054855	0.05738	No data	No data	No data
Rates as % of revenue	73.4%	59.4%	66.6%	63.1%	66.6%
Residential rates %	40.6%	75.0%	55.5%	55.5%	55.5%
Commercial rates %	57.2%	19.2%	41.9%	41.9%	41.9%
DLGC Financial health check	Strong	Good	No data	No data	No data
Operating Surplus	0.10	0.031	0.11	0.08	0.11
Current ratio 2013	1.55	1.16	1.22	1.18	1.22
WATC Ratio Profile	No data	No data	well balanced	strong	well balanced
WATC Financial Sustainability Score (2010-2013)	88	57	83	79	83
WATC Financial Sustainability Score (2010-2017)	79	57	83	77	83

Assessment of the City of Belmont's Proposal 8

against Local Government Advisory Board criteria

Proposal 8 was assessed and recommended by the Board with minor boundary amendments.

From the City of Belmont submission:

"*A boundary extension proposal is considered to be the most efficient and cost effective option to achieve the State Government's Reform agenda in the case of the City of Belmont and Shire of Kalamunda. It will be delivered by an industry leading reputable Council and highly qualified and stable executive and management team demonstrating wisdom and with many years of experience*."

Community of interest

The Board can see no compelling issues of community of interest in the various localities affected by the proposed boundary change to suggest that it should not proceed. Both existing local governments share a vision for diversity and opportunity; these visions reflect similar community aspirations. While the diversity in the Kalamunda hills and Belmont suburban communities of interest is noted, there is minimal impact for existing community groups as the existing Belmont and Kalamunda boundaries are not split. It is understood that Kalamunda residents draw on services in various activity centres; some residents (such as those in High Wycombe) already use Belmont facilities. Membership of the EMRC is not affected. The proposal brings together the commercial communities of interest around the Airport precinct and the Kewdale Welshpool strategic industrial area centred on the freight terminal. The capacity of the proposed local government to engage the community would be strong. The Board is of the view that the service needs of specific communities of interest would be well served.

Physical and topographic features

Clearly, the Swan River, Perth airport precinct and Orrong Road provide strong boundaries for the proposed local government. Orrong Rd is a logical boundary through the Welshpool area. The Great Eastern Highway Bypass is a logical northern boundary. The existing boundaries of the Shire of Kalamunda through the hills environment are retained. The boundaries at the rural interface could be addressed in future as development occurs. The proposed boundaries are not considered by the Board to affect the capacity of the broader community to access services or the capacity of the local government to service the

community. Having the oversight of Perth airport within one local government is considered a major benefit.

Demographic trends

The Board concluded that there were no compelling points of difference in the demographic details of the localities affected by the proposed boundary change. Some differences in demographics are noted, but this will result in the area having a more diverse demographic and socio-economic mix. The Board believes the capacity of the local government to service the needs of the growing and changing community, including a significant aged population, would be strong, particularly given the current level of effort directed by both current local governments to aged care services. Steady population growth is expected but the proposed local government is likely to remain below the metropolitan mean population. Demographic trends are not considered a major factor in assessing this proposed local government.

Economic factors

With a particular focus on the secondary activity centre of Belmont, and the specialised activity centre of Perth Airport, the impact of the proposed boundary change on economic factors is considered to be positive, reinforcing the capacity of the local government to service a socially and economically diverse community. Industries in the area, including those associated with the airport, would benefit from being within one local government. The Kewdale-Welshpool strategic industrial centre is still divided, albeit to a lesser degree. The Economic Development Strategy developed by the Shire of Kalamunda and the Business Strategy developed by the City of Belmont provide good foundations for economic development and could be built upon to facilitate economic growth and investment across the broader area. The Board believes the proposal provides an opportunity to build on Kalamunda's strength in arts and events and increase opportunities for tourism. The proposal results in a local government with high employment self-sufficiency thus creating greater capacity for local employment within the region.

The history of the area

The proposed merger might be seen by some as contributing to a loss of local history, but that history will fundamentally remain. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. In the Board's view, there are no significant differences in the history of the areas to suggest that the proposed merger should not proceed. The history of particular communities and local governments would not be lost. The history of the area is not considered a major factor in assessing this proposal.

Transport and communication

The Board considered transport to be a critical dimension of this particular proposal, given the significant people and freight movements associated with the airport and rail freight terminal, and the current Gateway WA project and its strategic importance to the region. With the potential for greater integration of transport planning, the boundary change would bring transport benefits to residents and businesses and offers the potential for improved access to services by the community. The Board considers that there would be capacity to improve east-west links and greater ability to attract State/Federal funding for major projects. The airport corporation supports the proposed boundary change and will benefit from being within one local government. The need for expenditure on road upgrades in the northern sector adjacent to the airport is noted.

Matters affecting the viability of local governments

The proposed boundary change improves parity compared to existing local governments and will result in increased financial sustainability. The WATC analysis shows the merged entity is a well-balanced local government in all areas except for current ratio, which reflects the below benchmark performance of the existing Belmont and Kalamunda local governments, and shows as the only area of noticeable weakness. The WATC advised that this should not be viewed as a serious impediment to considering this proposal given the strength of all other ratios and projected financial performance. Given the financial strength, and the more balanced rate base and potential to address sustainability issues and rationalise some duplicated infrastructure assets, the boundary change is considered by the Board to have a positive outcome on this criterion. The viability of the proposed entity is improved in the long term, while at the same time providing greater equity across the area. The proposed local government will have increased capacity to fund major projects and leverage funding from government and the private sector.

The effective delivery of local government services

The services and facilities currently provided by the local governments are complementary to each other. For example, both areas have a similar philosophy of assisting the aged in the community, so there could be synergies from combining their service offerings. Kalamunda has a performing arts centre, Belmont has security patrols. It is the combination of these differences in service offerings which will benefit the wider community of the enlarged local government.

The Board considers that the effective delivery of local government services would be maintained and potentially enhanced by the proposed local government, which would have the capacity and resources to deliver services at least to a comparable standard to those

currently provided. The capacity of the local government to service the community would be strong and there would be improved equity in service delivery across both districts. The proposal is consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community. Major projects identified in community plans could proceed, while capacity to undertake some projects such as the river foreshore restoration would be enhanced. Membership of EMRC is not affected.

Assessment of the Shire of Kalamunda's Proposal 15

against Local Government Advisory Board criteria

Proposal 15 was assessed and rejected by the Board.

From the first Kalamunda submission:

"The current City of Belmont has well developed residential, commercial and industrial areas, with a focus on infill redevelopment to provide growth, whilst the current Shire of Kalamunda has both green fields and infill redevelopment in both residential and commercial/industrial sectors. The combination of these factors will establish a rate base capable of providing sufficient funding to enable the new entity to meet the requirements for services from all sectors of the district"

Community of interest

The Board can see no compelling issues of community of interest in the various localities affected by the proposed amalgamation to suggest that it should not proceed. Both existing local governments share a vision for diversity and opportunity; these visions reflect similar community aspirations. While the diversity in the Kalamunda hills and Belmont suburban communities of interest is noted, there is minimal impact for existing community groups as the existing Belmont and Kalamunda boundaries are not split. It is understood that Kalamunda residents draw on services in various activity centres; some residents (such as those in High Wycombe) already use Belmont facilities. Membership of the EMRC is not affected. The proposal brings together the commercial communities of interest around the Airport precinct and the Kewdale Welshpool strategic industrial area centred on the freight terminal. The capacity of the proposed local government to engage the community would be strong. The Board is of the view that the service needs of specific communities of interest would be well served.

Physical and topographic features

Clearly, the Swan River, Perth airport precinct and Orrong Road provide strong boundaries for the proposed local government. Orrong Rd is a logical boundary through the Welshpool area. The Great Eastern Highway Bypass is a logical northern boundary. The existing boundaries of the Shire of Kalamunda through the hills environment are retained. The boundaries at the rural interface could be addressed in future as development occurs. The proposed boundaries are not considered by the Board to affect the capacity of the broader community to access services or the capacity of the local government to service the community. Having the oversight of Perth airport within one local government is considered a major benefit.

Demographic trends

The Board concluded that there were no compelling points of difference in the demographic details of the localities affected by the proposed amalgamation. Some differences in demographics are noted, but this will result in the area having a more diverse demographic and socio-economic mix. The Board believes the capacity of the local government to service the needs of the growing and changing community, including a significant aged population, would be strong, particularly given the current level of effort directed by both current local governments to aged care services. Steady population growth is expected but the proposed local government is likely to remain below the metropolitan mean population. Demographic trends are not considered a major factor in assessing this proposed local government.

Economic factors

With a particular focus on the secondary activity centre of Belmont, and the specialised activity centre of Perth Airport, the impact of the proposed amalgamation on economic factors is considered to be positive, reinforcing the capacity of the local government to service a socially and economically diverse community. Industries in the area, including those associated with the airport, would benefit from being within one local government. The Kewdale-Welshpool strategic industrial centre is still divided, albeit to a lesser degree. The Economic Development Strategy developed by the Shire of Kalamunda and the Business Strategy developed by the City of Belmont provide good foundations for economic development and could be built upon to facilitate economic growth and investment across the broader area. The Board believes the proposal provides an opportunity to build on Kalamunda's strength in arts and events and increase opportunities for tourism. The proposal results in a local government with high employment self-sufficiency thus creating greater capacity for local employment within the region.

The history of the area

The proposed amalgamation might be seen by some as contributing to a loss of local history, but that history will fundamentally remain. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. In the Board's view, there are no significant differences in the history of the areas to suggest that the proposed merger should not proceed. The history of particular communities and local governments would not be lost. The history of the area is not considered a major factor in assessing this proposal.

Transport and communication

The Board considered transport to be a critical dimension of this particular proposal, given the significant people and freight movements associated with the airport and rail freight terminal, and the current Gateway WA project and its strategic importance to the region. With the potential for greater integration of transport planning, the boundary change would bring transport benefits to residents and businesses and offers the potential for improved access to services by the community. The Board considers that there would be capacity to improve east-west links and greater ability to attract State/Federal funding for major projects. The airport corporation supports the proposed boundary change and will benefit from being within one local government. The need for expenditure on road upgrades in the northern sector adjacent to the airport is noted.

Matters affecting the viability of local governments

The proposed amalgamation improves parity compared to existing local governments and will result in increased financial sustainability. The WATC analysis shows the merged entity is a well-balanced local government in all areas except for current ratio, which reflects the below benchmark performance of the existing Belmont and Kalamunda local governments, and shows as the only area of noticeable weakness. The WATC advised that this should not be viewed as a serious impediment to considering this proposal given the strength of all other ratios and projected financial performance. Given the financial strength, and the more balanced rate base and potential to address sustainability issues and rationalise some duplicated infrastructure assets, the boundary change is considered by the Board to have a positive outcome on this criterion. The viability of the proposed entity is improved in the long term while at the same time providing greater equity across the area. The proposed local government will have increased capacity to fund major projects and leverage funding from government and the private sector.

The effective delivery of local government services

The services and facilities currently provided by the local governments are complementary to each other. For example, both areas have a similar philosophy of assisting the aged in the community, so there could be synergies from combining their service offerings. Kalamunda has a performing arts centre, Belmont has security patrols. It is the combination of these differences in service offerings which will benefit the wider community of the enlarged local government.

The Board considers that the effective delivery of local government services would be maintained and potentially enhanced by the proposed local government, which would have the capacity and resources to deliver services at least to a comparable standard to those

currently provided. The capacity of the local government to service the community would be strong and there would be improved equity in service delivery across both districts. The proposal is consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community. Major projects identified in community plans could proceed, while capacity to undertake some projects such as the river foreshore restoration would be enhanced. Membership of EMRC is not affected.

Assessment of the Shire of Kalamunda's Proposal 25

against Local Government Advisory Board criteria

Proposal 25 was assessed and rejected by the Board.

From the second Kalamunda submission:

"It is recognised that as the larger partner in the merger the Shire has the resources and the systems that would allow the merger to take place with minimal disruption to the communities involved. By abolishing Belmont, only a small portion of the population would be affected, and the governance systems already in place to administer such a diverse and growth focussed local authority as Kalamunda, are proven to be scalable and able to manage the industrial, commercial and residential areas of Belmont."

Community of interest

The Board can see no compelling issues of community of interest in the various localities affected by the proposed boundary amendment to suggest that it should not proceed. Both existing local governments share a vision for diversity and opportunity; these visions reflect similar community aspirations. While the diversity in the Kalamunda hills and Belmont suburban communities of interest is noted, there is minimal impact for existing community groups as the existing Belmont and Kalamunda boundaries are not split. It is understood that Kalamunda residents draw on services in various activity centres; some residents (such as those in High Wycombe) already use Belmont facilities. Membership of the EMRC is not affected. The proposal brings together the commercial communities of interest around the Airport precinct but by not using Orrong Road as a boundary it continues to split the Kewdale Welshpool strategic industrial area centred on the freight terminal. The capacity of the proposed local government to engage the community would be strong. The Board is of the view that the service needs of specific communities of interest would be well served.

Physical and topographic features

Clearly, the Swan River, Perth airport precinct and Orrong Road provide strong boundaries for the proposed local government. Orrong Road is a logical boundary through the Welshpool area. The Great Eastern Highway Bypass is a logical northern boundary. The existing boundaries of the Shire of Kalamunda through the hills environment are retained. The boundaries at the rural interface could be addressed in future as development occurs. The proposed boundaries are not considered by the Board to affect the capacity of the broader community to access services or the capacity of the local government to service the community. Having the oversight of Perth airport within one local government is considered a major benefit. By not including the Welshpool industrial area and not using Orrong Road

as a boundary, the irregular boundary in the vicinity of the Kewdale Freight terminal is not addressed.

Demographic trends

The Board concluded that there were no compelling points of difference in the demographic details of the localities affected by the proposed boundary change. Some differences in demographics are noted, but this will result in the area having a more diverse demographic and socio-economic mix. The Board believes the capacity of the local government to service the needs of the growing and changing community, including a significant aged population, would be strong, particularly given the current level of effort directed by both current local governments to aged care services. Steady population growth is expected but the proposed local government is likely to remain below the metropolitan mean population. The demographics of this proposal are basically the same as the other proposals given the small number of people that reside in the Welshpool area. Demographic trends are not considered a major factor in assessing this proposed local government.

Economic factors

With a particular focus on the secondary activity centre of Belmont, and the specialised activity centre of Perth Airport, the impact of the proposed boundary change on economic factors is considered to be positive, reinforcing the capacity of the local government to service a socially and economically diverse community. Industries in the area, including those associated with the airport, would benefit from being within one local government. The Kewdale-Welshpool strategic industrial centre is still divided. The Economic Development Strategy developed by the Shire of Kalamunda and the Business Strategy developed by the City of Belmont provide good foundations for economic development and could be built upon to facilitate economic growth and investment across the broader area. The Board believes the proposal provides an opportunity to build on Kalamunda's strength in arts and events and increase opportunities for tourism. The proposal results in a local government with high employment self-sufficiency thus creating greater capacity for local employment within the region. By continuing to split the Kewdale Welshpool industrial area centred around the freight terminal some of the potential economic benefits will be lost.

The history of the area

The proposed merger might be seen by some as contributing to a loss of local history, but that history will fundamentally remain. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. In the Board's view, there are no significant differences in the history of the areas to suggest that the

proposed merger should not proceed. The history of particular communities and local governments would not be lost. The history of the area is not considered a major factor in assessing this proposal.

Transport and communication

The Board considered transport to be a critical dimension of this particular proposal, given the significant people and freight movements associated with the airport and rail freight terminal, and the current Gateway WA project and its strategic importance to the region. With the potential for greater integration of transport planning, the boundary change would bring transport benefits to residents and businesses and offers the potential for improved access to services by the community. The Board considers that there would be capacity to improve east-west links and greater ability to attract state/federal funding for major projects. The airport corporation supports the proposed boundary change and will benefit from being within one local government. However, the continued fragmentation of the Kewdale Welshpool strategic industrial area centred on the freight terminal reduces the potential benefits from improved transport planning and management. The need for expenditure on road upgrades in the northern sector of the airport is noted.

Matters affecting the viability of local governments

The proposed boundary change improves parity compared to existing local governments and will result in increased financial sustainability. This proposal does not include the Welshpool industrial area, but the effect on the viability of the proposed local government is marginal given the overall resources available. The WATC analysis shows the merged entity is a well-balanced local government in all areas except for current ratio, which reflects the below benchmark performance of the existing Belmont and Kalamunda local governments, and shows as the only area of noticeable weakness. The WATC advised that this should not be viewed as a serious impediment to considering this proposal given the strength of all other ratios and projected financial performance. Given the financial strength, and the more balanced rate base and potential to address sustainability issues and rationalise some duplicated infrastructure assets, the boundary change is considered by the Board to have a positive outcome on this criterion. The viability of the proposed entity is improved in the long term, while at the same time providing greater equity across the area. The proposed local government will have increased capacity to fund major projects and leverage funding from government and the private sector.

The effective delivery of local government services

The services and facilities currently provided by the local governments are complementary to each other. For example, both areas have a similar philosophy of assisting the aged in

the community, so there could be synergies from combining their service offerings. Kalamunda has a performing arts centre, Belmont has security patrols. It is the combination of these differences in service offerings which will benefit the wider community of the enlarged local government.

The Board considers that the effective delivery of local government services would be maintained and potentially enhanced by the proposed local government, which would have the capacity and resources to deliver services at least to a comparable standard to those currently provided. The capacity of the local government to service the community would be strong and there would be improved equity in service delivery across both districts. Servicing of the Kewdale Welshpool strategic industrial area remains divided. The proposal is consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community. Major projects identified in community plans could proceed, while capacity to undertake some projects such as the river foreshore restoration would be enhanced. Membership of EMRC is not affected.

Assessment of the Minister's Proposal 05/2013

against Local Government Advisory Board criteria

Proposal 05/2013 was assessed and rejected by the Board.

From the Minister's proposal 5/2013:

"The proposal, if implemented, would create a stronger local government, with an increased capacity to provide the best possible services to residents in the enlarged district and with the maximum efficiency. There would be a significant opportunity to reduce administrative duplication and generate significant long-term savings due to economies of scale, and rationalisation of management and administrative support staff. Through co-ordinated long term planning there would be opportunities to rationalise assets and the provision of services, for the benefit of residents and businesses across the whole of the enlarged district."

Community of interest

The Board can see no compelling issues of community of interest in the various localities affected by the proposed boundary change to suggest that it should not proceed. Both existing local governments share a vision for diversity and opportunity; these visions reflect similar community aspirations. While the diversity in the Kalamunda hills and Belmont suburban communities of interest is noted, there is minimal impact for existing community groups as the existing Belmont and Kalamunda boundaries are not split. It is understood that Kalamunda residents draw on services in various activity centres; some residents (such as those in High Wycombe) already use Belmont facilities. Membership of the EMRC is not affected. The proposal brings together the commercial communities of interest around the Airport precinct and the Kewdale Welshpool strategic industrial area centred on the freight terminal. The capacity of the proposed local government to engage the community would be strong. The Board is of the view that the service needs of specific communities of interest would be well served.

Physical and topographic features

Clearly, the Swan River, Perth airport precinct and Orrong Road provide strong boundaries for the proposed local government. Orrong Rd is a logical boundary through the Welshpool area. The Great Eastern Highway Bypass is a logical northern boundary. The existing boundaries of the Shire of Kalamunda through the hills environment are retained. The boundaries at the rural interface could be addressed in future as development occurs. The proposed boundaries are not considered by the Board to affect the capacity of the broader community to access services or the capacity of the local government to service the

community. Having the oversight of Perth airport within one local government is considered a major benefit.

Demographic trends

The Board concluded that there were no compelling points of difference in the demographic details of the localities affected by the proposed boundary change. Some differences in demographics are noted, but this will result in the area having a more diverse demographic and socio-economic mix. The Board believes the capacity of the local government to service the needs of the growing and changing community, including a significant aged population, would be strong, particularly given the current level of effort directed by both current local governments to aged care services. Steady population growth is expected but the proposed local government is likely to remain below the metropolitan mean population. Demographic trends are not considered a major factor in assessing this proposed local government.

Economic factors

With a particular focus on the secondary activity centre of Belmont, and the specialised activity centre of Perth Airport, the impact of the proposed boundary change on economic factors is considered to be positive, reinforcing the capacity of the local government to service a socially and economically diverse community. Industries in the area, including those associated with the airport, would benefit from being within one local government. The Kewdale-Welshpool strategic industrial centre is still divided, albeit to a lesser degree. The Economic Development Strategy developed by the Shire of Kalamunda and the Business Strategy developed by the City of Belmont provide good foundations for economic development and could be built upon to facilitate economic growth and investment across the broader area. The Board believes the proposal provides an opportunity to build on Kalamunda's strength in arts and events and increase opportunities for tourism. The proposal results in a local government with high employment self-sufficiency thus creating greater capacity for local employment within the region.

The history of the area

The proposed merger might be seen by some as contributing to a loss of local history, but that history will fundamentally remain. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. In the Board's view, there are no significant differences in the history of the areas to suggest that the proposed merger should not proceed. The history of particular communities and local governments would not be lost. The history of the area is not considered a major factor in assessing this proposal.

Transport and communication

The Board considered transport to be a critical dimension of this particular proposal, given the significant people and freight movements associated with the airport and rail freight terminal, and the current Gateway WA project and its strategic importance to the region. With the potential for greater integration of transport planning, the boundary change would bring transport benefits to residents and businesses and offers the potential for improved access to services by the community. The Board considers that there would be capacity to improve east-west links and greater ability to attract State/Federal funding for major projects. The airport corporation supports the proposed boundary change and will benefit from being within one local government. The need for expenditure on road upgrades in the northern sector adjacent to the airport is noted.

Matters affecting the viability of local governments

The proposed boundary change improves parity compared to existing local governments and will result in increased financial sustainability. The WATC analysis shows the merged entity is a well-balanced local government in all areas except for current ratio, which reflects the below benchmark performance of the existing Belmont and Kalamunda local governments, and shows as the only area of noticeable weakness. The WATC advised that this should not be viewed as a serious impediment to considering this proposal given the strength of all other ratios and projected financial performance. Given the financial strength, and the more balanced rate base and potential to address sustainability issues and rationalise some duplicated infrastructure assets, the boundary change is considered by the Board to have a positive outcome on this criterion. The viability of the proposed entity is improved in the long term, while at the same time providing greater equity across the area. The proposed local government will have increased capacity to fund major projects and leverage funding from government and the private sector.

The effective delivery of local government services

The services and facilities currently provided by the local governments are complementary to each other. For example, both areas have a similar philosophy of assisting the aged in the community, so there could be synergies from combining their service offerings. Kalamunda has a performing arts centre, Belmont has security patrols. It is the combination of these differences in service offerings which will benefit the wider community of the enlarged local government.

The Board considers that the effective delivery of local government services would be maintained and potentially enhanced by the proposed local government, which would have the capacity and resources to deliver services at least to a comparable standard to those

currently provided. The capacity of the local government to service the community would be strong and there would be improved equity in service delivery across both districts. The proposal is consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community. Major projects identified in community plans could proceed, while capacity to undertake some projects such as the river foreshore restoration would be enhanced. Membership of EMRC is not affected.

Review and recommendations

The Board finds there is considerable agreement between the Belmont and Kalamunda proposals and the Minister's proposal. The Minister's and Belmont's boundary change proposals cover exactly the same territory. The only difference with the Kalamunda Proposal 15 is in the proposed method of change. Kalamunda Proposal 15 was for an amalgamation, but this was followed up by Kalamunda Proposal 25 which was for a boundary change. In addition, there is agreement with the Bassendean / Swan and Mundaring proposals, in respect to the transfer of land parcels associated with the Perth Airport. However, there is disagreement with Canning / Gosnells as to whether Welshpool should be part of the Belmont Kalamunda local government, a point on which the Belmont, Kalamunda 15 and Minister's proposals agree (noting that Kalamunda Proposal 25 excludes Welshpool).

In completing the Inquiries the Board finds that all proposals have the potential to generate positive outcomes. Given the similarities of the proposals, it is not unexpected that they have been assessed similarly by the Board. All proposals create a larger and more sustainable entity with a more viable population and rate base. All proposals have the potential to generate positive outcomes, and with the exception of Kalamunda Proposal 25 all proposals are close to the 'best' local government boundaries for this area. While the WATC financial sustainability scores are high for these proposals, the Board is recommending the City of Belmont Proposal 8 as the preferred proposal in the interests of good government, and in best interests of local government and the community. This is based on consideration of the proposal coming from a local government and so reflects a local preference rather than a State Government preferred outcome. The Board's conclusion is that the City of Belmont's Proposal 8 clearly has the greater organisational capacity to handle the merger process. In this case, the Board considers that a boundary change is preferred to an amalgamation on the basis of providing certainty to local governments and the community on the way forward and what is expected to be an easier and less costly transition process.

After completing its Inquiries the Board considers that a boundary amendment would create scope for rationalisation of infrastructure and equipment while at the same time maintaining effective and efficient delivery of services and operation of major facilities such as aquatic centres. The Board's view is that the effective delivery of local government services would be maintained and potentially enhanced by a merger of Belmont and Kalamunda, which would have the capacity and resources to deliver services to at least a comparable standard to those currently provided. The local benefits to residents and ratepayers are expected to include lower administration costs and better services; services are not expected to be reduced or diminished in scope.

The consolidation of local government would be considered a positive for the development of the Perth Airport strategic specialised centre. A regional benefit derives from having fewer local governments in the Perth region, with flow on effects expected for residents and ratepayers generally, as well as the regional economy and regional environment. It is anticipated that the enlarged council would be better placed to leverage increased funding from State and Federal Governments. The ratio of elected members per elector will likely increase so there may be a concern among electors that there will be less access to elected representatives; a place management approach or similar may go some way to addressing this concern.

The boundaries of the proposed local government are as proposed by the City of Belmont, with one minor amendment arising from the City of South Perth / Town of Victoria Park proposal (Figure 14). The area known as Balbuk Reserve is partly in the Town of Victoria Park and partly in the City of Belmont. The Board is recommending that this anomaly be addressed by the transfer of all the reserve in the City of Belmont to the Town of Victoria Park.

Figure 14 - Transfer of Balbuk Reserve from the City of Belmont to the City of South Park



Ward structure

The City of Belmont's preference is for a two ward structure based on the current districts of Belmont and Kalamunda. The Shire of Kalamunda did not identify a specific ward structure however commented that wards should be established and be of equal representation which comply with the councillor to elector ratio deviation.

The Board acknowledges that both local governments support a ward structure however a formal agreement was not reached between the two local governments on this matter.

It is the Board's view that equitable representation and engendering a whole of council approach is enhanced by a district ward structure. The Board's view is that the economic profile and discrete communities of interest in both districts would be best supported by a district ward structure where community decisions could be made across the entire local government area with support of the whole council. Therefore the Board recommends that the merged entity operate under a district ward structure.

Representation

The City of Belmont proposes representation of 12 offices of councillor. The Shire of Kalamunda commented that a possible representation model could comprise 11 offices of councillors, plus a popularly elected mayor.

The Board acknowledges that there is not an agreed position between the City of Belmont and Shire of Kalamunda regarding the level of representation for the restructured entity. The Board notes that its preferred proposal is the City of Belmont Proposal 8 and therefore recommends the level of representation specified by the City of Belmont; that being 12 offices of councillor.

The Board notes that the City of Belmont's existing nine councillors will be retained and will continue to represent the restructured local government leading up to the 2015 Local Government Elections. All offices of councillor of the Shire of Kalamunda will be disestablished on 30 June 2015.

Offices of councillor at the City of Belmont that expire in 2017 will see out their terms. Offices of councillor at the City of Belmont expiring in 2015 will contest the October 2015 local government elections.

Name of the new local government

As there is no agreement between the City of Belmont and Shire of Kalamunda on a name for the merged entity, the Board notes that the corporate name and designation area of the City of Belmont will be retained. Should the merged local government seek to amend its name at a later date, it can do so under Schedule 2.2 clause 5(c) of the Act.

Recommendations

1. **The Local Government Advisory Board after formally inquiring into the proposal identified as Proposal 15 recommends pursuant to clause 6 (1)(a) of Schedule 2.1 of the *Local Government Act 1995* that the Minister for Local Government reject the proposal.**

2. **The Local Government Advisory Board after formally inquiring into the proposal identified as Proposal 25 recommends pursuant to clause 6 (1)(a) of Schedule 2.1 of the *Local Government Act 1995* that the Minister for Local Government reject the proposal.**

3. **The Local Government Advisory Board after formally inquiring into the proposal identified as Proposal 05/2013 recommends pursuant to clause 6 (1)(a) of Schedule 2.1 of the *Local Government Act 1995* that the Minister for Local Government reject the proposal.**

Proposal 8 (Belmont/Kalamunda)

The Local Government Advisory Board (the Board) recommends to the Minister:

1. pursuant to clause 6 (1) (b) of Schedule 2.1 to the *Local Government Act 1995* (Act), that an order be made, under section 2.1 (1) (d) of the Act:

(a) abolishing the district of the Shire of Kalamunda;

[see Act s2.1 (1) (c)]

(c) changing the boundaries of the district of the City of Belmont to reflect those shown in Section 1.6 of the Appendices.

[see Act s2.1 (1) (b)]

2. pursuant to clause 10A (1) (a) of Schedule 2.1 to the Act, that:

(a) an order be made, under section 2.2 (1) (d) of the Act, abolishing all of the wards into which the district of the City of Belmont is divided;

(b) an order be made, under section 2.18 (3) (a) of the Act, changing the number of offices of councillor on the council for the district of the City of Belmont to 12 offices.

6.6 Inquiries into proposals affecting the City of South Perth and the Town of Victoria Park

Overview of relevant proposals

This section presents the findings of the Board's Inquiries into proposals affecting the City of South Perth and Town of Victoria Park.

Primary:

06/2013 Minister's Proposal: Victoria Park boundary amendment with South Perth, incorporating parts of Canning, transferring part of the Burswood Peninsula to the City of Perth.

13. City of South Perth / Town of Victoria Park proposal: Amalgamation of South Perth and Victoria Park

Secondary:

01/2013 Minister's Proposal: Extension to the City of Perth by boundary change including part of the Burswood Peninsula. (For recommendation see Section 6.1).

07/2013 Minister's Proposal: Canning Gosnells boundary adjustment, ceding parts of Bentley, St James, Welshpool, Wilson to new South Perth / Victoria Park entity. (For recommendation see Section 6.7).

7. City of Canning proposal: Amalgamation of the City of Canning and City of Gosnells, but ceding parts of Bentley, St James, Welshpool, Wilson to merged South Perth / Victoria Park. (For recommendation see Section 6.7).

14. City of Perth proposal 1: Extension to the City of Perth boundaries including the entire Burswood Peninsula. (For recommendation see Section 6.1).

18. City of Gosnells proposal: Boundary adjustment with City of Canning, but ceding parts of Bentley, St James, Welshpool, Wilson to an amalgamated South Perth / Victoria Park. (For recommendation see Section 6.7).

22. City of Subiaco proposal: An amalgamation between Subiaco and Perth incorporating areas from the Cities of Nedlands and Vincent and the Town of Victoria Park. (For recommendation see Section 6.1).

26. City of Perth proposal 2: Extension to the City of Perth boundaries including parts of Subiaco and the entire Burswood Peninsula in the City of Perth. (For recommendation see Section 6.1)

Table 84 - Proposals to the LGAB affecting the City of South Perth and the Town of Victoria Park

Proposal number	Proposal name	Population estimate	Revenue estimate
13	City of South Perth / Town of Victoria Park proposal	92,800	Not stated
14	City of Perth proposal (1)	32,600	Not stated
26	City of Perth proposal (2)	46,500	Not stated
22	City of Subiaco proposal	46,725	Not stated
7	City of Canning proposal	184,400	$170m
18	City of Gosnells proposal	184,400	$170m
06/2013	Minister's Proposal – City of South Perth and Town of Victoria Park	90,700	$85m
07/2013	Minister's Proposal – Cities of Canning and Gosnells	103,800	$95m
01/2013	Minister's Proposal – Cities of Perth and Vincent	52,200	$198m

13. City of South Perth / Town of Victoria Park proposal

The joint City of South Perth / Town of Victoria Park proposal is to amalgamate the whole of the district of the Town of Victoria Park and the whole of the district of the City of South Perth to form a new local government entity. It also incorporates the area of the City of Canning north-west of Leach Highway (being the areas of Bentley, St James, Wilson, and part Welshpool) and the river front area of the City of Belmont known as Balbuk Reserve. The councils suggest that the proposal will enable a coordinated approach to local planning, a reduction in duplicated resources, improvements to consistencies in processes, improvements to purchasing power, as well as opportunities to attract and retain specialised staff. The community would benefit from an increased range of services.

Both Councils argue that retention of the whole of the Burswood Peninsula and GO Edwards Park Reserve is critical to the sustainability and the proposed new local government entity; the splitting of the Burswood Peninsula between two local governments would not be in the best interests of local government. The proposal notes that the future rating potential of the area of the Burswood Peninsula proposed to be transferred to the City of Perth is significant: $8.8 million per annum in lost rate revenue.

The joint South Perth and Victoria Park proposal seeks to address the illogical boundary currently separating the Town of Victoria Park and the City of Canning, by suggesting that the area northwest of Leach Highway is incorporated into the newly amalgamated local government. Both Councils recommend that the transfer of portion of the City of Canning to the new City of South Perth - Town of Victoria Park local government entity be contingent on the transfer of an equivalent proportion of resources, assets and funds. The proposal also includes incorporating the riverside area of the City of Belmont known as Balbuk Reserve to eliminate an illogical and impractical boundary.

14. City of Perth proposal 1

The City of Perth boundary change proposal would create a larger City of Perth by incorporating parts of the Cities of Nedlands, Subiaco and Vincent and part of the Town of Victoria Park (being all of the Burswood Peninsular with the Farmer Freeway and Great Eastern Highway as the boundary). The effect of the boundaries is to incorporate the Queen Elizabeth II Medical Centre, Hollywood Hospital, UWA, Belmont Park Racecourse, Burswood Stadium and Crown Casino into the enlarged City of Perth.

26. City of Perth proposal 2

The second City of Perth boundary change proposal also creates a larger City of Perth by incorporating parts of the Cities of Nedlands, Subiaco and Vincent and part of the Town of Victoria Park (being all of the Burswood Peninsular with the Farmer Freeway and Great Eastern Highway as the boundary). Under this proposal, a larger part of the City of Subiaco is included as is a part of Cambridge (West Leederville). The effect of the boundaries is to incorporate the Queen Elizabeth II Medical Centre, Hollywood Hospital, UWA, Belmont Park Racecourse, Patersons Stadium, Burswood Stadium and Crown Casino into the enlarged City of Perth.

22. City of Subiaco proposal

This proposal is for an amalgamation between the City of Subiaco and an expanded City of Perth (as per proposal 14). The boundary changes include the addition of portions of the City of Vincent and Town of Victoria Park (as per proposal 14) but the notable difference, in

addition to the inclusion of the whole of the City of Subiaco, is the additional area of the Nedlands locality (to Smythe Road/Bruce Street) of the City of Nedlands.

7. / 18. City of Canning / City of Gosnells proposals

The City of Canning Proposal 7 is for an amalgamation with the City of Gosnells ceding east of Centenary Avenue, to the new combined City of South Perth/Victoria Park only on the basis that a major part of the Burswood Peninsula is to transfer to the City of Perth. The City of Canning preferred position is no change to its boundaries.

The City of Gosnells Proposal 18 is essentially the same City of Canning's Proposal 7, but Gosnells proposes it as a boundary change so that it remains in place as a continuing local government. The City of Canning would be subsumed within the boundaries of the City of Gosnells. The City of Canning does not agree with this approach and prefers a direct amalgamation of the two cities.

06/2013 Minister's Proposal

The Minister's proposal is for a boundary adjustment whereby the Town of Victoria Park incorporates the City of South Perth, with the addition of parts of Bentley, St James, Wilson, and part Welshpool from the City of Canning and the ceding of part of the Burswood Peninsula (Burswood casino complex and stadium) to the City of Perth. Specific boundaries include: North: Swan River, part of Burswood Peninsula including Farmer Freeway and Great Eastern Highway; West: Swan River; South: Canning River; East: Leach Highway, Orrong Road.

The proposed new entity unites residential areas of similar character and facilitates economies of scale and improved services for the community. The proposed new entity includes the activity centre of Victoria Park and the specialised centre of Bentley Technology Precinct / Curtin University. The proposal enables a sharing of expertise to plan developments such as Belmont Racecourse and Bentley Technology Precinct.

07/2013 Minister's Proposal

The Minister's proposal is for a boundary amendment of the City of Gosnells incorporating most of the City of Canning and transferring parts of Bentley, St James, Welshpool, Wilson to the new combined City of South Perth/Victoria Park. The Minister's proposal is similar to the Canning / Gosnells proposals in that the proposals cover similar territory but with the main difference being the proposed transfer of western portions of Canning to the City of Melville. The Minister's proposal also differs to the Canning proposal in that it proposes a boundary amendment rather than an amalgamation between the two local governments.

01/2013 Minister's Proposal

The Minister's proposal sees the City of Perth include most of the City of Vincent and expanded east to include parts of the Burswood Peninsula (new stadium and Burswood casino complex). The Minister's proposal also sees the City expanded west to include most of Crawley so that Kings Park, The University of WA, the QEII Medical Centre and Hollywood Private Hospital will be included within the City of Perth.

Common elements and points of difference of the proposals

The Minister's 06/2013 proposal is similar to the South Perth / Town of Victoria Park proposal, in that the proposals are both largely mergers of the two local governments, but with the main difference being in the different treatment of the Burswood Peninsula. The Minister's proposal also differs in that it proposes a boundary amendment to the Town of Victoria Park rather than an amalgamation between the two local governments and it does not take into account transferring Balbuk reserve from the City of Belmont.

The South Perth / Victoria Park proposal supports retention of the whole Burswood Peninsula. The City of Perth supports inclusion of the greater peninsula area in the City of Perth. The Minister's proposal is to divide the peninsula between South Perth / Victoria Park and Perth, with the stadium and casino being included in the latter, and the balance in the former.

The inclusion of part of Bentley, St James, Wilson, and part Welshpool in the proposed South Perth / Victoria Park was supported by South Perth and Victoria Park, as well as by the Minister. The City of Canning initially supported this change, even though this constituted a loss of territory, but only in the event that South Perth / Victoria Park did not retain all of the Burswood Peninsula

Current Situation

Table 85 - Vital statistics for the City of South Perth and the Town of Victoria Park

Vital statistics	South Perth	Victoria Park	Total - South Perth / Victoria Park#
Area (land) (sq km)	19.8	17.9	37.7
Population (2013)	46,113	37,682	83,795
Average annual growth 2007/2012	1.80%	3.70%	2.60%
Population density (per sq.km.)	2,267	2,014	2,149
Dwellings	19,756	15,742	35498
Value of building activity *$m	$130.284m	$99.849m	$230.133m
Length of sealed roads (km)	203	174.9	377.9
No. Employees	227.4	198	425.4
Residents per employee	197.7	182.2	190.5
Total rate revenue ($)*	$31,088,000	$28,501,754	$59,589,754
Total operating revenue ($)*	$52,791,100	$73,880,550	$126,671,650
Total operating expenditure ($)*	$41,920,000	$58,234,884	$100,154,884
Total rate revenue per capita ($)	$691.6	$789.9	$735.4
Total operating revenue per capita ($)	$1,175	$2,048	$1,563
Total operating expenditure per capita ($)	$933	$1,614	$1,236
Average residential rate per assessment 2012/13* ($)	$1,183	$1,098	No data

Source: various, including ABS and information returns to WA Local Government Grants Commission *Based on 2013-14 annual budget # does not include portion of Canning proposed to be transferred.

Historical background and local government boundary changes

The original inhabitants of the South Perth / Victoria Park area were the Noongar Aboriginal people. The South Perth Roads Board was formed in 1892, its area having been formerly part of the City of Perth and the Canning Road District. Victoria Park had its own Roads Board from 1894, and on 30 April 1897 the Municipality of Victoria Park was proclaimed. It was abolished in 1917. The current Town of Victoria Park was formed from a restructure of the City of Perth in 1994. When the City of Perth was split it was originally proposed that the Burswood Peninsula would be retained as part of the City of Perth, but this did not eventuate. Otherwise local government boundaries have remained relatively stable in the Perth metropolitan area in the last 100 years or so, giving rise to a number of boundary reviews. Previous local government reviews have made a number of recommendations affecting South Perth and Victoria Park but none have been acted upon.

Proposals previously considered by the Local Government Advisory Board

The Board has previously considered a proposal for boundary adjustment affecting the Town of Victoria Park. This was a proposal to amend the district boundaries of the Town and the City of Belmont to incorporate the Belmont Park Racecourse entirely within that City. The Board recommended that the proposal be rejected on the basis that there was insufficient justification to support the proposal. The Minister accepted the Board's recommendation.

Regional cooperation and resource sharing

Regional cooperation in the area is strong, but the City of South Perth and Town of Victoria Park are not always involved in the same regional groups. Victoria Park (and Perth) is a member of the Mindarie and Tamala Park Regional Councils; South Perth is a member of the Rivers Regional Council for waste management. The City of South Perth and Town of Victoria Park are both members of the South-East metropolitan zone of WALGA, the Metropolitan Regional Road Group (28 other members) and the South East Technical Sub-Group (5 other members). The City of South Perth is a member of the Perth Airport Municipalities Group along with 11 other local governments, including the City of Canning. The Town of Victoria Park is not a member. Combined emergency management arrangements are in place and include the Canning / South Perth Local Emergency Management Committee (LEMC) and the Victoria Park / Belmont LEMC.

Demographic Characteristics and Trends

Population growth in the South Perth / Victoria Park area is at a lower rate than for metropolitan Perth as a whole (Table 86). A significant proportion of the population

increase in Victoria Park is expected to come from in-fill development, and new developments at The Peninsula, Belmont Park Race Course, Burswood Station East and West precincts, the Causeway Precinct, and the Technology Precinct including Curtin University.[83]

[83] http://www.victoriapark.wa.gov.au/sites/default/files/ToVP_Environment_Plan.pdf p2

Table 86 - Local Government Populations 2006 to 2026

Local Government	Estimated Population*	Projected Population*						
	2006	2011	2016	% Growth from 2011	2021	% Growth from 2011	2026	% Growth from 2011
South Perth	41,000	44,300	46,500	5.0%	48,100	8.6%	49,700	12.2%
Victoria Park	29,500	33,600	37,100	10.4%	40,000	19.0%	42,900	27.7%
South Perth/ Victoria Park#	70,500	77,900	83,600	7.3%	88,100	13.1%	92,600	18.9%
Metro Perth	1,522,500	1,752,500	1,939,500	10.7%	2,105,700	20.2%	2,276,900	29.9%

*Source: Western Australian Planning Commission (2012) WA Tomorrow (Band C projections) http://www.planning.wa.gov.au/dop_pub_pdf/PlanningSummary.pdf

does not include portion of Canning proposed to be added.

The Board considered detailed demographic information in respect of the proposals, drawing on the analysis it commissioned.[84] The data from the 2011 Census suggests that there are some similarities between the demographics of these adjoining local governments. Typical of inner urban areas, the South Perth and Victoria Park areas have fewer children and more seniors, and smaller families and households compared to the metropolitan area generally. This directly relates to the greater degree of high and medium density housing in these areas, which is also higher than the metropolitan area generally. The demographic profiles of South Perth and Victoria Park are not significantly different; differences of note include higher percentages of university qualifications, Australian born and speaking English only in South Perth compared to Victoria Park. The Town of Victoria Park has a high population of young adults and more young and middle-aged adults have moved to the area since 2001. Young adults between 20 and 34 years represent the largest population demographic and the 2011 median age of Victoria Park community was 34 years.[85]

Key demographic groups can give rise to a form of community of interest within each community, including life-stage (age) based groups (youths, seniors), ethnicity and disadvantage, and these can have implications for local government services.

The worker profiles reveal South Perth to have higher percentages of white collar professionals and lower percentages of blue collar workers relative to Victoria Park, although the latter has a higher percentage of professionals and a lower percentage of blue collar workers relative to the metropolitan area generally. These differences flow on to higher incomes for South Perth residents. Consequently the South Perth local government has a lower level of Socio-Economic disadvantage compared to Victoria Park and the metropolitan area generally. Demographic factors are not considered a major factor in assessing the proposal.

Service Population

There is some benefit in considering service population in addition to resident population, as the additional population temporarily present in a local government area can impact on the services of local government, such as car parking, the amount of waste generated, and the number of food premises. The Burswood Resort Casino attracts 'millions of visitors a year'.[86] Belmont-Victoria Park, as defined by Tourism Western Australia, has in recent years attracted an average of 92,000 domestic visitors and 36,300 international visitors, for a total of 128,300 visitors and 1.34million estimated

[84] Metropolitan Local Government Reform Demographic Analysis, Geografia 2014
[85] http://www.victoriapark.wa.gov.au/sites/default/files/ToVP_Environment_Plan.pdf p3
[86] http://www.crownresorts.com.au/investors-media/annual-reports 2013

visitor nights. (These figures include Burswood Resort) [87] The Crown Casino (reportedly 6,100 employees) and Curtin University (3,500 employees) are the biggest employers in the affected area. The University, the largest in Western Australia, had over 64,000 enrolments in 2012, of which 53,000 were enrolled at the Bentley campus. The workers employed in the area, as well as the students and visitors, should be considered as components of the City and Town's service population.

[87] http://www.tourism.wa.gov.au/Publications%20Library/Research/Research%20and%20Reports/LGA%20and%20SA2%20Fact%20Sheets/2012/Belmont%20-%20Victoria%20Park%202012.pdf

Table 87 - Localities affected by the South Perth / Victoria Park proposals

Locality	Pop. (2011 Census)	Current City of South Perth	Current Town of Victoria Park	City of South Perth / Town of Victoria Park proposal 13	Minister's Proposal 06/2013
Como	13,250	Yes	No	Yes	Yes
Karawara	2,157	Yes	No	Yes	Yes
Kensington	4,557	Part	Part	Yes	Yes
Manning	4,214	Yes	No	Yes	Yes
Salter Point	2,577	Yes	No	Yes	Yes
South Perth	12,053	Yes	No	Yes	Yes
Waterford	2,192	Yes	No	Yes	Yes
Bentley	8,222	No	Part	Part	Part
Burswood	1,392	No	Part	Yes	Part
Carlisle	5,611	No	Yes	Yes	Yes
East Victoria Park	8,815	No	Yes	Yes	Yes
Lathlain	2,983	No	Yes	Yes	Yes
St James	3,710	No	Part	Part	Part
Victoria Park	7,806	No	Yes	Yes	Yes
Welshpool	16	No	Part	Part	Part
Wilson	5,667	No	No	Part	Part

Community of interest

The Board has previously expressed the view that the external boundaries of a local government should reflect distinct communities of interest wherever possible. The following observations about communities of interest in the local government areas of South Perth and Victoria Park were noted.

Educational Facilities: The South Perth and Victoria Park districts include many schools, including twelve government and five Catholic primary schools. There are two government high schools (Como Secondary College and Kent Street Senior High), four private colleges (Aquinas, Penrhos, Ursula Frayne, Wesley) and other educational institutions including Clontarf Aboriginal College and Canning College. Most of the affected area falls in the local intake area of the two government high schools. Students in adjacent areas would attend Belmont City College and Cannington Community College. The private colleges tend to draw the majority of students from across the wider region. The combined local intake area of the two government high schools (Como and Kent Street) closely corresponds to the proposed amalgamation of the South Perth and Victoria Park local governments. Polytechnic West (formerly Swan TAFE) has campuses in Oats Street Carlisle and Hayman Road Bentley.

The area also includes Curtin University, Western Australia's largest university with 53,351 enrolments at Bentley. Students are drawn from all over the State and overseas, but many are resident in adjacent suburbs, both in family and rental accommodation, and student housing. Total Staff (FTE in 2013) was 3,493.[88] Curtin University is described as a Specialised Activity Centre in Directions 2031. Under the University's proposed Master Plan it is envisaged that the "knowledge city" would ultimately have 40,000 equivalent full-time students, 16,000 residents and a workforce of 18,000.[89] The University is wholly within the boundaries of the Town of Victoria Park but it also has boundaries with the City of South Perth and the City of Canning. The joint council Proposal states that the proposed amalgamation would see improved integrated planning and improved communication in the area and enable the University to deal with only one local government.

Journey to Work: According to the 2011 Census, there were 44,103 workers residing in the combined South Perth / Victoria Park areas, and 38,519 workers employed in the combined area, yielding a potential self-containment rate (87.3%), but this masks differences in the two quite different areas. Victoria Park has significantly more people employed in the area (26,638) than resident workers (23,221) for a self-containment rate

[88] http://www.admin.uwa.edu.au/stats/uwabrief/UWA_in_Brief_2013.pdf
[89] https://properties.curtin.edu.au/master-plan/plan.cfm

of 114.7%. In contrast, South Perth has significantly more resident workers (20,882) than local jobs (11,881) for a self-containment rate of 56.9%. The largest percentages of South Perth and Victoria Park residents work in the Perth City area (24.3%). Within South Perth / Victoria Park, the largest employment nodes are found at Victoria Park-Burswood and Bentley, reflecting the importance of the Burswood Resort and Curtin University as employment centres. The local area is the biggest source of workers employed in the South Perth / Victoria Park district (22.8%).

Newspaper circulation: Suburban papers circulated in the area affected by the proposals include the Southern Gazette, the Canning/Victoria Park Examiner and the Canning Times. Most of the population of the area affected by the proposal (including Burswood, as well as the adjacent City of Belmont) receive the Southern Gazette, but this edition does not yet circulate in the adjoining parts of Canning proposed to be included in the local government.

State Electoral Districts: The State Legislative Assembly seats of South Perth and Victoria Park broadly follow the existing local government areas, and the proposed new local government would broadly correspond to the two electorates combined. Wilson is in the electorate of Cannington. Burswood is wholly within the Victoria Park electorate. Both the South Perth and Victoria Park electorates are part of the South Metropolitan Region for Legislative Council elections.

Commonwealth Electoral Divisions: All of the area affected by the proposals for South Perth and Victoria Park are located within the Federal division of Swan, with the Swan River forming the boundary between the electorate and the Federal division of Perth. This electorate also includes suburbs to the north and east which are part of the current local governments of Belmont and Canning. Burswood is wholly within the Swan division.

Public transport: This area has the advantage of bus, rail and ferry access to the Perth central area, which is the biggest employment destination for residents. Bus services provide the critical service for the inner suburbs such as those in the City of South Perth. Various bus routes, using Canning Highway, Albany Highway and Hayman Road, connect the suburbs through to the CBD and Curtin University. South Perth and Victoria Park residents would largely be using different public transport routes to access the city; Victoria Park residents would be more likely to use the Perth-Armadale-Thornlie railway, and South Perth residents more likely to use the ferry service and buses or Mandurah railway. The proposed new light rail network Metro Area Express, or MAX could potentially have a links to Curtin University and the Burswood Stadium.

Community of interest: Summary and comment

There are strong community of interest links between South Perth and Victoria Park areas, including:

- Demographic characteristics of South Perth and Victoria Park are relatively similar.
- Industry of employment and journey to work patterns are relatively similar.
- The combined local intake area of the two government high schools (Como and Kent Street) closely corresponds to the proposed amalgamation of South Perth and Victoria Park.
- Most of the proposed area, including all of South Perth and Victoria Park, receives the same local community newspaper.
- The area is in the same Legislative Council electoral region (albeit divided in to two complementary Legislative Assembly seats).
- South Perth and Victoria Park are both located in the Federal electorate of Swan.
- The State and Federal electorates utilise the river as the natural boundary.
- The Burswood Peninsula is consistently collocated with Victoria Park.

While of themselves these observations do not provide a compelling argument for the amalgamation of South Perth and Victoria Park, they provide evidence of substantial common communities of interest. There are no compelling points of difference between the various localities affected by the proposed change to suggest that an amalgamation should not happen.

Economic considerations

The economic activity in South Perth and Victoria Park comprises mainly commercial offices and a mix of service industries including health, education, retail, hospitality and other professional services. There are no significant heavy industries in the area, and relatively few light industrial activities. The Bentley Technology Park is currently split into western and eastern precincts by the South Perth / Victoria Park municipal boundary. A major project in the part of Canning to be transferred is the Brownlie Towers (Bentley Regeneration) Project.

The strategic community plans of the two local governments identify similar economic aspirations. Victoria Park's approach to economic development is included as part of its 'Business Life Program' and a proposed local economic strategy. The City of South Perth has prepared a draft Economic Development Strategy 2013-2016 for community

feedback. The draft Strategy 2013-2016 seeks to facilitate economic growth and investment and build more sustainable, liveable and prosperous local communities. The vision is for South Perth to have 'a more mature and diversified economy which enhances the quality of life for residents and visitors to the City'. The Town of Victoria Park has also developed an Integrated Movement Network Strategy (IMNS) to guide the development of future plans for delivering an efficient, safe, well-connected and sustainable transport system in the Town. Objectives include managing traffic congestion, supporting economic growth, improving access and reducing transport costs.

Public infrastructure

Significant public and private infrastructure is present in this area, including the road and rail network, health and education establishments, and sporting facilities. The infrastructure includes the South Perth Civic Centre, Victoria Park administration centre, two depots, an aquatic centre, 3 libraries and Collier Park Retirement village. Parks and gardens include Collier Park Golf Course, Sir James Mitchell Park, G.O. Edwards Park, McCallum Park and various other local parks and gardens and foreshore reserves.

The localities in the City of Canning proposed to be transferred to this local government includes significant local government infrastructure, including a library and community centre, an aquatic centre (closed) and various other sporting facilities, neighbourhood parks, local roads and footpaths.

A change in local government arrangements in the region is not likely to negatively affect community access to this infrastructure. In general, changes in local government boundaries do not tend to lessen the amenity or diminish the access to facilities and services enjoyed by residents of an area. Most non-local government infrastructure providers are likely to welcome a consolidation of local governments to simplify consultation and management arrangements.

Burswood

The disposition of the Burswood Peninsula is critical to consideration of these proposals. Currently the entire Peninsula is in the Town of Victoria Park. The Peninsula is proposed to be split under the Minister's Proposal between the City of Perth and the new South Perth / Victoria Park entity. Under the City of Perth Proposal, Burswood Peninsula would be wholly within the City of Perth. Under the South Perth / Victoria Park Proposal, the Peninsula would be wholly within the proposed South Perth / Victoria Park entity.

The Burswood Park Board is responsible for the control and management of Burswood Park, which is maintained by the Board from revenue received from Casino and golf

course operations.[90] The Board's environmental expenditures ($3 million in 2011/2012) included Swan River protection projects. In December 2011 the State Government announced the development of the stadium on the northern portion of the Burswood Golf Course. Pre-construction site works are underway and construction of the 60,000-seat, multi-purpose stadium and sports precinct is expected to start by the end of 2014 and be completed in time for the 2018 AFL season. The Burswood Entertainment Complex includes a 24-hour casino, seven restaurants, eight bars, a nightclub, two international hotels a Convention Centre, and the 2,300-seat theatre. Crown Perth is undergoing a $750 million expansion program, including a new six star hotel. In August 2012 the Government announced the sale of 5.8 hectares of land to Burswood Entertainment Complex to build a new 500 room hotel. This decision, together with stadium decision, has significant impacts on the future of the Burswood Park reserve. Current local government rates are approximately $2.75 million per annum.

Transport planning is a key consideration, and the development of a multi-modal transport strategy is progressing. The strategy is focused on public bus and rail transport, with limited on-site parking but access to extensive parking facilities in East Perth and the Perth Central Business District (CBD), facilitated by a shuttle bus service. The undeveloped land around Belmont Park Racecourse is to become a high-density, mixed-use transit oriented development to be known as Burswood Point. The proposed development incorporates up to 4,500 dwellings, 31,000sqm of retail floor space and 60,000sqm of office floor space, and a hotel in mixed use buildings up to 46 levels.[91]

The Minister's proposal to include parts of the Burswood Peninsula containing the Crown Casino and the football stadium in the modified City of Perth is 'due to their strategic importance to the metropolitan area.' The City of Perth proposal varies from the Minister's proposal in that the entire Burswood Peninsula, including the residential area, the Racecourse and the south side of Great Eastern Highway west of the railway overpass will be in the City of Perth. With the intensive development expected on the peninsula in future years, the City of Perth says it 'must be developed in a coordinated and holistic manner and the effective coordination of infrastructure planning and development, particularly transport, will be pivotal'. Further, the City says fragmented precinct planning and administration of the Burswood Peninsula should be avoided.

In the South Perth and Victoria Park proposal the area would be retained by the proposed new local government on community of interest grounds. To split the area would create development, transport and infrastructure management issues that are

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[90] http://burswoodpark.wa.gov.au/web/Annual+Report

[91] http://www.victoriapark.wa.gov.au/sites/default/files/Asset%20Management%20Plan%20(Buildings%20and%20Land).pdf p44.

unnecessarily complicated. Further, there would be a negative impact on financial viability resulting in increased costs to ratepayers. Issues associated with key infrastructure in the Peninsula (such as traffic, parking, noise control, anti-social behaviour and event management) will need to be managed in a more integrated manner to control impacts on residents.

Environmental context

The environmental context of this area can be summarised as being part of the Swan coastal plain, with remnant wetlands. The area is bordered on the north and west by the Swan River and in the south by the Canning River. The Kensington Bushland Reserve in the Town of Victoria Park, a 9ha bushland remnant, is the best preserved remnant urban bushland between the Swan and Canning Rivers, and is recognised by the State Government as a 'Bush Forever' site.

South Perth and Victoria Park each have strategies and programs dedicated to maintaining and improving the natural environment. This includes recognition within the strategic community plans, and waste management, climate change and waterwise components. From the available information, it can be concluded that there are similarities in these communities' aspirations for the natural environment.

The City of South Perth has a river frontage of 18kms in length, the Town of Victoria Park a further 6.3km.[92] Consolidation of local government provides the potential to address natural resource management issues. There are currently 21 local governments covered by the Swan River Trust management area, and the potential reduction of metropolitan local governments would enhance foreshore and river management in the region. Heritage protection is also a significant consideration.

Local government

The City of South Perth and Town of Victoria Park have largely completed the statutory requirements under the integrated planning framework. Excerpts from the respective strategic community plans show a common desire for nurturing the environment and accessible communities with vibrancy and diversity.

The two local governments had 366 FTE employees (2010-11 figures), with duplication in many roles including Chief Executive Officers and senior directors. There is also likely to be some scope for rationalisation of infrastructure and equipment while at the same

[92] http://www.swanrivertrust.wa.gov.au/docs/river-management/foreshore-assessment-management-strategy.pdf p159

time maintaining effective and efficient delivery of services. At present, the proposed area includes two council offices / civic centres and two depots.

Notable facilities and projects include the Collier Park Village (169 two-bedroom self-contained units) and a 40 bed Collier Park Hostel (scheduled to close). Ernest Johnson Reserve in South Perth provides recreational, sporting and social opportunities for the local community. The City is developing a master plan for the redevelopment of the reserve and its associated buildings. The Manning Community Hub is a $14 million civic project to create a landmark and iconic precinct for Manning and Salter Point.[93]

The effective delivery of local government services would be maintained and potentially enhanced by the proposed merger of South Perth and Victoria Park, which would have the capacity and resources to deliver services to at least a comparable standard to those currently provided. There are many services offered by the two local governments that are complementary, such as the services for seniors and youth. There are other synergies as well, such as the young writers award in South Perth and the art award in Victoria Park.

Each local government has the required local planning strategies and town planning schemes to guide and control development in their respective areas. Directions 2031 has a target of about 17,200 new dwellings in this area by 2031. The City of South Perth has also developed a draft Local Housing Strategy to provide a framework for delivering additional residential density and dwelling diversity in appropriate areas of the City. The draft strategy identifies locations that are well serviced by public transport, have a broad range of land uses, or are suitable for redevelopment, for the purpose of accommodating additional dwellings. The Metropolitan Central Joint Development Assessment Panel (JDAP) covers South Perth and Victoria Park and five other local government areas.

Local government finance

With a rate base that includes diverse and highly valued commercial, retail and residential properties, the combination of South Perth and Victoria Park has the potential to be a financially strong local government, with well in excess of $120m in operating revenue, including $60m in rates. GRV rates (cent in the dollar) are currently higher in Victoria Park than in South Perth.

[93] http://www.southperth.wa.gov.au/Our-City/Major-Projects/Manning-Community-Hub/

Table 88 - Key financial information for the City of South Perth and the Town of Victoria Park

Financial information	South Perth	Victoria Park	Total
Total rate revenue ($)*	$31,088,000	$28,501,754	$59,589,754
Total operating revenue ($)*	$52,791,100	$73,880,550	$126,671,650
Total operating expenditure ($)*	$41,920,000	$58,234,884	$100,154,884
Total rate revenue per capita ($)	$691.6	$789.9	$735.4
Total operating revenue per capita ($)	$1,175	$2,048	$1,563
Total operating expenditure per capita ($)	$933	$1,614	$1,236
Property, plant and equipment per capita ($)	$7,644	$5,794	$6,719
Infrastructure per capita ($)	$3,673	$1,764	$2,718
Average residential rate per assessment 2012/13* ($)	$1,183	$1,098	No data
Rates as % of operating revenue	58.9%	38.6%	47.0%
Residential rates as % of rates	89.1%	59.1%	73.7%
Commercial rates as % of rates	10.9%	30.7%	21.1%
Employee Costs	$18,742,482	$16,270,119	$35,012,601

*Based on 2013-14 annual budget

Table 89 - Rate in dollar GRV (2013/14 budget)

Council	Minimum Rate (2013/14)	Residential Improved GRV Rate/$	Commercial Improved GRV Rate/$	Industrial Improved GRV Rate/$
South Perth	$825	0.062	0.062	0.062
Victoria Park	$800	0.073	0.073	0.073
Canning *	$540	0.068	0.068	0.068
Perth	$624	0.04131	0.05065	0.02696

* Note: only portions of this area to be incorporated into this proposed local government.

There would be no effect on financial assistance grant allocations, with the new entity receiving the total of the current entitlements of the constituent local governments. Collectively these grants account for only 1.9% of the local government's current revenue.

With the assistance of the affected local governments information has been compiled for the Board in respect of the areas affected by these proposals (Tables 90-91). These figures indicate that there would be an operating deficit under the Minister's proposal, reflecting the loss of rateable properties on the Burwood Peninsula. The exclusion of the Peninsula has only a nominal impact on operating expenditure. The additional areas from the City of Canning contribute more revenue relative to expenditure.

Table 90 - Key financial information for the Minister's Proposal 06/2013 – City of South Perth and Town of Victoria Park

Minister Proposal 06/2013 - South Perth/Victoria Park	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
South Perth	$50,488,019	$52,186,313	$26,936,112	$13,699,492	$4,160,769
Victoria Park	$43,677,304	$42,249,857	$28,549,608	$7,417,253	$1,229,939
Add: Canning - Bentley, St James and Wilson	$9,484,803	$8,948,870	$5,317,368	$2,137,034	$127,217
Less: Burswood - Crown Casino and Stadium	$3,036,737	$422,499	$2,940,610	$96,128	$0
TOTAL	**$100,613,388**	**$102,962,542**	**$57,862,479**	**$23,157,651**	**$5,517,925**

Table 91 - Key financial information for the South Perth and Victoria Park's Proposal 13

Proposal 13 - South Perth/Victoria Park	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
South Perth	$50,488,019	$52,186,313	$26,936,112	$13,699,492	$4,160,769
Victoria Park	$43,677,304	$42,249,857	$28,549,608	$7,417,253	$1,229,939
Add: Canning - Bentley, St James and Wilson	$9,484,803	$8,948,870	$5,317,368	$2,137,034	$127,217
TOTAL	$103,650,126	$103,385,040	$60,803,088	$23,253,779	$5,517,925

Table 92 – Comparative summary for South Perth and Victoria Park proposals

South Perth/Victoria Park under	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Minister proposal 06/2013	$100,613,388	$102,962,542	$57,862,479	$23,157,651	$5,517,925
South Perth/Vic. Park proposal 13	$103,650,126	$103,385,040	$60,803,088	$23,253,779	$5,517,925
Difference	$3,036,737	$422,499	$2,940,610	$96,128	$0

Financial health checks

The Department of Local Government's 2009 Local Government Reform Steering Committee report rated South Perth rated as Category 1 and Victoria Park as Category 2 (structural reform required to achieve long term organisational and financial capacity). The independent expert analysis of the financial position of the local governments conducted for the Metropolitan Local Government Review Panel included a five-year analysis of sustainability measures. South Perth and Victoria Park were both rated as vulnerable. A financial health check (based on the 2012-13 annual financial statements) undertaken by the Department of Local Government and Communities has rated the position of South Perth as Good, and Victoria Park as Satisfactory.

Financial sustainability analysis

The Western Australian Treasury Corporation (WATC) was commissioned to undertake a comparative analysis of the financial sustainability of existing and proposed metropolitan local governments. The financial analysis by WATC was based on the seven (7) financial ratios on which local governments are required to report, considering the past four financial years using the annual financial statements, and the forward looking next four years based on the financial plans, with seven years of data (2010-2017) to derive a Financial Sustainability Score as follows:

Table 93 - Financial Sustainability Scores (FSS)

FSS for current and proposed authorities	2010-2013	2010-2017
Existing South Perth	59	66
Existing Victoria Park	70	68
Minister Proposal 06/2013	64	68
South Perth/Victoria Park Proposal 13	68	73

Source: WA Treasury Corporation. The FSS for all current metropolitan local governments and the proposed restructured local governments are included in Section 4 of the Appendices

The City of South Perth and Town of Victoria Park proposal to jointly amalgamate improves the Financial Sustainability Score (FSS) compared to the Minister's Proposal 6/2013 for the same area. The City of South Perth and Town of Victoria Park proposal is a substantial 9 point improvement over existing South Perth and an improvement of 4 points for 2014-2018 for Victoria Park. The new entity has strong sustainability scores on most key ratios except operating surplus ratio, which is well below benchmark. It is evident from the ratios that the retention of Crown Casino in proposal 13 results in an improvement of the operating surplus ratio as there is very little expenditure relative to the large revenue received. Overall the City of South Perth and Town of Victoria Park proposal is a more sustainable proposal.

Table 94 - 2012/13 Financial Ratios

Local Government	Current Ratio	Debt Service Coverage	Own Source Revenue	Operating Surplus	Asset Consumption	Asset Sustainability	Asset Renewal
Canning	1.11	4.46	0.89	0.04	0.64	0.65	0.82
Perth	0.96	7.53	1.19	0.16	0.68	3.04	0.99
South Perth	1.61	4.49	0.92	-0.02	0.56	0.82	0.99
Victoria Park	1.56	-0.28	0.99	-0.13	0.64	2.03	0.97
Proposal 06/2013	1.55	2.02	0.93	-0.08	0.58	1.08	0.97
Proposal 13	1.55	2.48	0.96	-0.06	0.58	1.08	1.08

Source: WA Treasury Corporation

Submissions to the Local Government Advisory Board

Submissions were provided to the Board during the advertised public submission periods by local governments, industry groups, local businesses and affected ratepayers. A summary of these submissions is detailed below. Note the following summaries are the position put forward by those making the submission.

Local Government submissions:

City of South Perth / Town of Victoria Park joint submission

While the Town and the City 'see the [wider] amalgamation process as an opportunity to establish a system of local government that has the capacity to be a real partner of State Government', the joint City-Town submission is less about the proposed amalgamation than a rationale for not splitting Burswood. The following extracts are pertinent:

"Under the [Minister's] present proposition, the Town (and the new local government entity) will lose its largest ratepayer (Crown Casino), potentially 10,000 residents in the proposed high rise developments and, as some form of notional recompense, secure an older portion of the City of Canning (north-west of Leach Highway) with decaying infrastructure that is in need of multimillion-dollar repair, replacement and upgrade.

"Fragmentation of planning and development of the Burswood Peninsula and its separation from the planning of surrounding areas creates the potential for a less than optimum outcome. There is considerable potential for duplication of activities if the entire area, including Victoria Park, is not under the general control of one Council.

"The point about all these problems [associated with the stadium] is that they will be borne by the new Council without any recompense for the costs from either the Casino or the Stadium. …the benefits of the proposed arrangement go to the City of Perth who will not be paying any of the costs.

"The State Government's principal objective for local government reform is financial sustainability; however, this will not be achieved if the amalgamated council does not contain the Crown Casino. Inevitably it will result in a substantial loss of services and facilities, or a marked rate increase."

City of Perth

In summary the Government's proposal [to divide Burwood between two local governments] would result in:

- fragmented precinct planning and administration of the Burswood Peninsula (e.g. planning scheme, parking and recreation);
- key State transport and utility infrastructure investments crossing multiple local government jurisdictions;
- city development typologies (e.g. high-rise residential) in non-city jurisdiction;
- unclear or contrived boundary demarcation logic;
- the eastern gateway to the city centre 'split' between local governments; and
- the new Perth Stadium being adjacent to residential land uses but in separate local governments.

The advantages of the City of Perth's proposal are:

- the high density residential area in the Burswood precinct is included to allow for improved management of the precinct;
- the Belmont Park Racecourse is included to allow for integrated planning for the entire Burswood Peninsula as contained in the State Government Planning Framework for the Burswood Peninsula;
- the Great Eastern Highway alignment is expanded further to provide for a contiguous eastern gateway incorporating Kagoshima Park and G.O. Edwards Park; Burswood precinct planning and administration (e.g. planning scheme, parking and recreation) under contiguous governance particularly recognising the impact of the rail stations and a future light rail station;
- key transport and utility infrastructure investments generally contained in a single jurisdiction, within City governance purview;
- city development typologies under experienced and contiguous administration;
- clearer boundary demarcation logic;
- stormwater drainage infrastructure contained within one local government;
- city eastern gateway under single management regime to maintain a high quality 'gateway' supported by City of Perth funds; and
- Perth Stadium and adjacent residential land-uses under a single local government jurisdiction enhancing event and development management.

Other submissions

Only five public submissions were lodged in support of the Minister's proposal (06/2013), while just over 85 per cent of the 1275 submissions against the proposal were from

residents of the City of South Perth. While most of these were based on general objections to changing the status quo, more than 400 submissions also expressed opposition to the transfer of any part of Burswood Peninsula to the City of Perth from either the current Town of Victoria Park or a combined 'South Perth-Victoria Park' district.

Almost 75 per cent of 1594 submissions in support of the joint amalgamation proposal from the City of South Perth and the Town of Victoria Park were from residents of the City of South Perth. The campaign to retain Burswood Peninsula in the proposed 'South Perth-Victoria Park' district was again a major theme, mentioned in over 500 submissions. Just over 60 per cent of 71 submissions against the proposal were from residents of South Perth. While a number of these also mentioned opposition to the City of Perth's bid for the transfer of the Burswood Peninsula to its district, this is not a recommendation of the joint amalgamation proposal. These reflect a more general objection in most of these submissions to any change being implemented at all.

Table 95 - Submissions lodged on Proposals 06/2013 and 13

Origin of submissions	**Number of submissions**			
	Proposal 06/2013		**Proposal 13**	
	For	Against	For	Against
Local governments	0	3	2	1
Stakeholders	1	11	6	3
Individuals	5	1275	1594	71
Total	**6**	**1289**	**1602**	**75**

The City of South Perth and Town of Victoria Park also distributed a template submission form within their districts, supporting Proposal 13 and opposing Proposal 06/2013. It was returned by 598 respondents.

A number of parliamentarians lodged submissions, most of whom expressed a preference for Proposal 13 and opposition to Proposals 06/2013 and 1/2013 and to the proposed excise of the Burswood Peninsula in particular.

The Western Australian Turf Club (operating as Perth Racing) supported Proposal 13 in preference to Proposal 06/2013 (though its first preference is Proposal 14 from the City of Perth) on the basis of its position that all entertainment and sporting venues on the Burswood Peninsula should be governed by the same local authority. Golden River

Development WA Pty Ltd., the owner of the Belmont Park racecourse site, supports the racecourse being included within the City of Perth and to remain connected to the Crown Casino and new Perth Stadium.

The City of Perth worked with major stakeholders to elicit support for their proposal, particularly in regard to inclusion of the whole of Burswood. Letters and submissions of support for the Perth proposal were received from notable individuals, companies (Brookfield, Hawaiian, Perron Group) as well as organisations (Perth Convention Bureau, Burswood Residents Association, Hollywood Private Hospital, Royal Park Yacht Club, Mounts Bay Sailing Club).

Curtin University endorsed Proposal 13 in accordance with its stated position in support of amalgamating the City of South Perth and Town of Victoria Park, with boundary amendments to incorporate some northern parts of Canning. The University cites its role in the development of the Curtin Bentley Specialist Activity Centre, which it considers a potential administrative centre for a new local government district. It also generally supports the placement of the university precinct under one local government's jurisdiction, and the inclusion of northern parts of Canning to provide for more integrated management of the buffer zone around the strategic centre. This is seen as compatible with the State Government's Directions 2031 Strategic Plan for Metropolitan Perth, which recognises the potential of the university precinct to form the basis of a consolidated regional centre and promote improved public transport networks. In support of Proposal 13, the University also questions the validity of excising any area of the Burswood Peninsula from a 'South Perth-Victoria Park' district, as recommended by Proposal 01/2013.

Table 96 - Summary information for current South Perth and Victoria Park and Proposals 06/2013 and 6

Summary information	South Perth	Victoria Park	South Perth / Victoria Park Proposal 13	Minister's Proposal 06/2013
Burswood note	N/A	Inc. Burswood Peninsula	Inc. Burswood Peninsula	Exc. Part of Burswood Peninsula
Population 2013	46,113	37,682	92,800	90,700
% variation from 100,000	54%	64%	7.2%	9.3%
Population 2025	49,700	42,900	106,500	106,500
Population 2050	56,149	55,731	136,500	136,500
Strategic centres	None	Victoria Park (Sec.) Curtin Uni (Spec.)	Victoria Park (Sec.) Curtin Uni (Spec.)	Victoria Park (Sec.) Curtin Uni (Spec.)
Additional dwelling target (D2031)	6,000	11,200	18,900	17,600 (est.)
% Local employment	56.9%	114.7%	87.3%	No data
Total FTE	227.4	198	425	No data
Total Expenditure	$41,920,000	$58,234,884	$102,727,046	$102,304,547
Total Rates	$31,088,000	$28,501,754	$60,803,088	$57,862,479
Average GRV residential	$20,179	$16,020	No data	No data
Average rate residential	$1,183	$1,098	No data	No data
GRV rate in $	0.062	0.073	No data	No data

Summary information	South Perth	Victoria Park	South Perth / Victoria Park Proposal 13	Minister's Proposal 06/2013
Rates as % of revenue	58.9%	38.6%	No data	No data
Residential rates %	89.1%	59.1%	No data	No data
Commercial rates %	10.9%	30.7%	No data	No data
DLGC Financial health check	Good	Satisfactory	No data	No data
Operating Surplus	-0.02	-0.13	-0.06	-0.085
Current ratio 2013	1.61	1.56	1.55	1.55
WATC Ratio Profile	No data	No data	relatively well balanced	partly-balanced
WATC Financial Sustainability Score (2010-2013)	59	70	68	64
WATC Financial Sustainability Score (2010-2017)	66	68	73	68

Assessment of the City of South Perth and Town of Victoria Park's joint Proposal 13

against Local Government Advisory Board criteria

Proposal 13 was assessed and recommended by the Board.

From the City of South Perth / Town of Victoria Park joint submission:

"an opportunity to establish a system of local government that has the capacity to be a partner of State Government …. the Proposal No.13 represents a logical plan for amalgamation that meets all of the LGAB guiding principles "

Community of interest

'The Town and the City share common interests, values, and characteristics which we consider will give rise to a distinct sense of identity and community. The new local government will build on existing communities of interest. The two local governments already work together in a number of areas…'

The Board can see no compelling issues of community of interest in the various localities affected by the proposed amalgamation to suggest that the amalgamation should not proceed. Rather, the Board found evidence of strong links between the South Perth and Victoria Park communities, including community of interest links with Burswood. The proposal would therefore consolidate existing community of interest linkages between South Perth and Victoria Park. Both existing local governments share a vision for vibrancy in lifestyles and local centres; these visions reflect similar community aspirations. The Board considers that the capacity of the local government to engage the community would be strong. The service needs of specific communities of interest would be well served.

Physical and topographic features

'The new boundary proposed by the Town and City is both logical and simple. There are just four boundaries: the Swan and Canning Rivers, Orrong Road and Leach Highway. These will form the entire boundary for the new City. This will provide a clear and unambiguous border.'

The Board considers the Swan and Canning Rivers and Orrong Road / Leach Highway as providing strong boundaries for the proposed amalgamation. The boundaries would not affect the capacity of the broader community to access services but would enhance the capacity of the local government to service the community. It is noted that where

applicable the mid-point of the Swan River is a logical boundary. The proposed boundary would also eliminate the illogical and impractical boundary around Balbuk Reserve, as well as locating reserve administration with the local government which would receive complaints about excessive noise from ski boats in the area.

Demographic trends

There are no compelling points of difference in the demographic composition of the localities affected by the proposed amalgamation. The potential for further population growth in the area is noted by the Board, particularly in the racecourse precinct. Demographic trends are not considered a major factor in assessing this proposed local government. The Board believes capacity of the local government to service the needs of the growing and changing community, including a significant service population comprised of workers, students and visitors would be strong.

Economic factors

With a focus on the secondary activity centre of Victoria Park, the impact of the proposed boundary change on economic factors is considered to be positive, reinforcing the capacity of the local government to service a socially and economically diverse community. There would be benefit in incorporating South Perth's economic development strategy with the Town of Victoria Park's Business Life Program and local economic strategy. There will also be a benefit from having one local government instead of three for more coordinated planning around the future development of the Curtin University specialised activity centre, as well as a consolidation of land use planning expertise for the benefit of the area generally. While an excision of all or part of the Burswood Peninsula would impact on the rating mix and financial sustainability of the proposed local government, the Board considers its retention within the proposed local government as enabling the economic benefits to be spread across a larger local government area. The implications for the former Burswood Dome site as a potentially valuable asset of the local government are a particular concern. The proposal is consistent with facilitating the objectives of the State Government's *Directions 2031 and Beyond* planning framework.

The history of the area

There are some historical links between the areas affected by the proposal. The amalgamation might be seen by some as contributing to a loss of local history, but that history will fundamentally remain. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. In the Board's view, there are no significant differences in the history of the areas to suggest that the

proposed amalgamation should not proceed. The history of particular communities and local governments would not be lost. A local government with increased capacity would be better resourced to record and preserve its history for future generations. The history of the area is not considered a major factor in assessing this proposal.

Transport and communication

With the potential for greater integration of transport planning in this area, building on the Integrated Movement Network Strategy developed by the Town of Victoria Park, the amalgamation is considered by the Board to offer transport benefits to residents and businesses of the area and offers the potential for improved access to services by the community. For example, there is the potential to better manage traffic associated with Leach Highway and Orrong Road, and around Curtin University.

Matters affecting the viability of local governments

The Board noted WATC advice that the proposal has a positive impact by reducing the financial sustainability score differential between the current City of South Perth and the Town of Victoria Park. The proposed amalgamation improves parity compared to existing local governments and would result in increased financial sustainability. The WATC analysis shows the merged entity is a relatively well balanced local government in most areas except for operating surplus ratio which although improving is still below benchmark, and shows as the only area of noticeable weakness. However, this ratio scores the highest scores under this proposal compared to all other existing proposals.

Given the financial strength of the proposed local government, and the potential to address sustainability issues and rationalise some duplicated infrastructure assets, the amalgamation is considered by the Board to generate a positive outcome on this criterion. On the other hand, the Town and City submitted that the new entity will not be financially viable in the short to medium term if the Burswood Peninsula is not retained. By retaining Burswood under this proposal, the economic benefits of Burswood can be applied to the broader area of South Perth and Victoria Park.

The financial impact on the proposed Canning - Gosnells boundary change of the transfer of the Bentley area is not considered significant by the Board as operating revenues closely match operating expenditures for the area involved, however the additional area will further diversify the economic base of the proposed South Perth - Victoria Park local government. It is noted that the area brings with it additional infrastructure including the closed aquatic centre, and therefore the need for funded plans infrastructure renewal.

The effective delivery of local government services

The Board considers the effective delivery of local government services would be maintained and potentially enhanced by the proposed South Perth - Victoria Park local government, which would have the capacity and resources to deliver services at least to a comparable standard to those currently provided. As the community around Curtin University further develops, that particular area will benefit from service delivery from a single local government rather than three. The local government would be relatively compact in terms of its size and the geographical spread of the population and the capacity of the local government to service the community would be strong. There are many services offered by the two local governments that are complementary, such as the services for seniors and youth. The proposal is consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community. Major projects identified in community plans could proceed, while capacity to undertake some projects such as the river foreshore restoration would be enhanced. In the long-term, service delivery should become more efficient and cost effective as the benefits of amalgamation are reflected in cost structures.

Assessment of the Minister's Proposal 06/2013

against Local Government Advisory Board criteria

Proposal 06/2013 was assessed and rejected by the Board.

From the Minister's proposal 6/2013:

"The proposal, if implemented, would create a stronger local government, with an increased capacity to provide the best possible services to residents in the enlarged district and with the maximum efficiency. There would be a significant opportunity to reduce administrative duplication and generate significant long-term savings due to economies of scale, and rationalisation of management and administrative support staff. Through co-ordinated long term planning there would be opportunities to rationalise assets and the provision of services, for the benefit of residents and businesses across the enlarged Town of Victoria Park."

Community of interest

The proposal consolidates existing community of interest linkages between South Perth and Victoria Park. However, the Board considers the excision of part of the Burswood Peninsula as problematic for community of interest as it would fragment service delivery and the planning and development of the peninsula, separating it from the planning of surrounding areas. In the Board's view, this is a critical flaw with this proposal. Otherwise, community of interest linkages are noted: for example, both existing local governments share a vision for vibrancy in lifestyles and local centres, reflecting similar community aspirations. The capacity of the local government to engage the community would remain strong. The service needs of specific communities of interest would be well served.

Physical and topographic features

Notwithstanding the usual role of rivers as boundaries, the Minister's proposal (and the City of Perth proposal) extends across the Swan River to include part of the Burswood Peninsula. In the Board's view, this is a critical flaw with this proposal. The Board considers this arrangement illogical and inconsistent given that the Swan River is the natural boundary feature. It is noted that where applicable the mid-point of the Swan River is a logical boundary.

Elsewhere the Swan and Canning Rivers and Orrong Road / Leach Highway provide strong boundaries for the proposed boundary change, and would not affect the capacity of the broader community to access services and would enhance the capacity of the local government to service the community.

Demographic trends

'It is unlikely that the area immediately surrounding the Crown Casino Complex or the proposed Stadium contained in this proposal will be developed for residential use. As such, there are no demographic impacts from the Minister's proposal.'

There are no compelling points of difference in the demographic details of the localities affected by the proposed boundary change. The potential for further population growth in the area is noted by the Board, particularly in the racecourse precinct. The excision of part of the Burswood Peninsula does not impact on demographics. The Board considers that the capacity of the local government to service the needs of the growing and changing community, including a significant service population comprised of workers and visitors would be strong. Demographic trends are not considered a major factor in assessing this proposed local government.

Economic factors

With a focus on the secondary activity centre of Victoria Park, the impact of the proposed boundary change on economic factors is considered by the Board to be positive, reinforcing the capacity of the local government to service a socially and economically diverse community. There would be benefit in incorporating South Perth's economic development strategy with Victoria Park's Business Life Program and local economic strategy. There will also be a benefit from having one local government instead of three for more coordinated planning around the future development of the Curtin University specialised activity centre, as well as a consolidation of land use planning expertise for the benefit of the area generally. The Board notes that the excision of part of the Burswood Peninsula impacts on the rating mix and financial sustainability of the proposed local government and could lead to land use planning conflicts. The implications for the former Burswood dome site as a potentially valuable asset of the local government are also a concern.

The history of the area

There are some historical links between the areas affected by the proposal. The amalgamation might be seen by some as contributing to a loss of local history, but that history will fundamentally remain. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. In the Board's view, there are no significant differences in the history of the areas to suggest that the proposed amalgamation should not proceed. The history of particular communities and local governments would not be lost. A local government with increased capacity would

be better resourced to record and preserve its history for future generations. The history of the area is not considered a major factor in assessing this proposal.

Transport and communication

With the potential for greater integration of transport planning in this area, building on the Integrated Movement Network Strategy developed by the Town of Victoria Park, the boundary change is considered to offer transport benefits to residents and businesses of the area and offers the potential for improved access to services by the community. For example, there is the potential to better manage traffic associated with Leach Highway and Orrong Road, and around Curtin University. However, the Board considers that the excision of part of the Burswood Peninsula will complicate traffic management issues in the area.

Matters affecting the viability of local governments

The Board noted WATC advice that the proposal has a positive impact by reducing the financial sustainability score differential between the current City of South Perth and the Town of Victoria Park. The WATC ratio analysis shows the merged entity is a partly-balanced local government, strong in many areas except for operating surplus which shows as the only area of noticeable weakness, and a weakening current ratio. These are manageable and according to the WATC should not be considered as serious impediments for this proposal given the strength of remaining ratios and projected financial performance, but should be taken into account. The excision of part of the Burswood Peninsula impacts on the financial sustainability of the proposed local government. The financial impact on the proposed Canning Gosnells boundary change of the transfer of the Bentley area is not considered significant by the Board as operating revenues closely match operating expenditures for the area involved, however the additional area will further diversify the economic base of the proposed South Perth - Victoria Park local government.

The effective delivery of local government services

The Board considers the effective delivery of local government services would be maintained and potentially enhanced by the proposed local government, which should have the capacity and resources to deliver services to a high standard. As the community around Curtin University further develops, that particular area will benefit from service delivery from a single local government rather than three. The Board considers the excision of part of the Burswood Peninsula as likely to impact on the effective delivery of local government services. It separates the management of the area from the residents affected by issues (such as noise, litter, parking, traffic) arising from events and activities on the peninsula. Event management is likely to be more

problematic in the Burswood locality. In the Board's view, this is a significant flaw with this proposal.

The local government would be relatively compact in terms of its size and the geographical spread of the population. The Board considers the capacity of the local government to service the community would be strong. There are many services offered by the two local governments that are complementary, such as the services for seniors and youth. Major projects identified in community plans could proceed, while capacity to undertake some projects such as the river foreshore restoration would be enhanced. In the long-term, service delivery should become more efficient and cost effective as the benefits of amalgamation are reflected in cost structures

Review and recommendations

The Minister's proposal 6/2103 is similar to the City of South Perth / Town of Victoria Park proposal 13, in that the proposals are both largely mergers of the two local governments, but with the main difference being in the different treatment of the Burswood Peninsula. The Minister's proposal 6/2103 also differs in that it proposes a boundary amendment rather than an amalgamation between the two local governments, with the Town of Victoria Park as the continuing entity. Proposal 6/2103 does not take into account transferring Balbuk reserve from the City of Belmont, so the Board has included this amendment in the recommendation (Figure 15).

Figure 15 - Transfer of Balbuk Reserve from the City of Belmont to the City of South Park



The South Perth / Victoria Park proposal supports retention of the whole Burswood Peninsula in the new amalgamated entity. The City of Perth supports inclusion of the greater peninsula area in the City of Perth. The Minister's proposal 6/2103 is to divide the peninsula between South Perth - Victoria Park and Perth, with the stadium and casino being included in the latter, and the balance in the former.

The inclusion of parts of Bentley, St James, Welshpool and Wilson in the proposed South Perth - Victoria Park was supported by South Perth and Victoria Park, as well as by the Minister. The City of Canning initially supported this proposed transfer, even though this constituted a loss of territory, but only in the event that South Perth / Victoria Park did not retain all of the Burswood Peninsula.

After completing its Inquiries the Board considers that both proposals have the potential to generate some positive outcomes, given the financial sustainability scores for both proposals, although the Board noted some significant flaws with the Minister's proposal 6/2103 due to the fragmenting of the Burswood Peninsula. The Board has therefore assessed the City of South Perth / Town of Victoria Park proposal 13 as the preferred proposal. The inclusion of the Burswood Peninsula in this proposal is considered critical. This became a critical consideration in rejecting the Minister's proposal 6/2103, as well as the proposals from the City of Perth and Subiaco (see section 7.1).

The Board considered that the City of South Park was an optimum way forward, given the willingness of councils to merge, the retention of Burswood, the elimination of the impractical boundary around Balbuk Reserve, the focus on the secondary activity centre of Victoria Park, the consolidation of local government around Curtin University, and the potential for greater integration of transport planning in the area building on the Integrated Movement Network Strategy developed by the Town of Victoria Park. The proposal is consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community.

The Board also noted the extensive community support for a complete merger of South Perth and Victoria Park and opposition to the splitting of Burswood. Proposal 13 was also considered by the Board to be a more locally focused approach, reflecting local government preferences rather than the Minister's.

The South Perth and Victoria Park councils suggest that the proposal will enable a coordinated approach to local planning, a reduction in duplicated resources, improvements to consistencies in processes, improvements to purchasing power, as well as opportunities to attract and retain specialised staff. The South Perth and Victoria Park councils indicate that the community will benefit from an increased range of services.

The Board acknowledges that comprehensive change management and implementation oversight is crucial to effectively manage an amalgamation of local governments, however the Board believes the long term financial and community benefits of consolidation would offset these challenges. The savings generated by streamlining administration and governance processes and removing duplicated contracts could be realised in the short term and savings reinvested into the community.

Ward Structures

While the City of South Perth and the Town of Victoria Park submitted a joint proposal for amalgamation, there was not an agreed position on a ward structure for the proposed new entity.

The City of South Perth's preference is for a six ward structure and the Town of Victoria Park specified a five ward structure. The Board acknowledges that both local governments support a ward structure however a formal agreement was not reached between the two local governments on this matter.

It is the Board's view that equitable representation and engendering a whole of council approach is enhanced by a district ward structure. The Board noted the existing strong communities of interest between the districts as well as comparable local economies and demographic trends that could benefit from a district ward approach. The Board believed that a district ward would effectively represent the new local government. The Board therefore recommends that the new local government operate under a district ward structure.

Representation

The City of South Perth's representation preference is for 12 offices of councillor, and the Town of Victoria Park's preference is for 10 offices of councillor.

There was no agreement between the two affected local governments on the level of representation. The Board therefore recommends that the new entity have a total of 12 offices of councillor to support the new local government.

Both local governments will be abolished and all offices of councillor will be disestablished on 30 June 2015.

Name of the new local government

The City of South Perth resolved that the new entity be named the City of South Park. The City referenced an historical land estate name developed in the 1880s and 1890s in South Perth. The Town of Victoria Park resolved that the new entity be designated the South Bank City Council. 'South Bank City Council' is a non-compliant local government name under the provisions of the Act which stipulates districts are to be designated a city, town or shire. The Board advises that it informed both local governments of this matter however received no response.

The local governments have not agreed on a name and the Board therefore recommends that the name and designation of the new entity be the City of South Park.

Recommendations

1. **The Local Government Advisory Board after formally inquiring into the proposal identified as Proposal 06/2013 recommends pursuant to clause 6 (1)(a) of Schedule 2.1 of the Local Government Act 1995 that the Minister for Local Government reject the proposal.**

Proposal 13 (South Perth/Victoria Park)

The Local Government Advisory Board (the Board) recommends to the Minister:

1. **pursuant to clause 6 (1) (b) of Schedule 2.1 to the *Local Government Act 1995* (Act), that an order be made, under section 2.1 (1) (d) of the Act:**

   (a) abolishing the current districts of:

   (i) the Town of Victoria Park; and

   (ii) the City of South Perth;

   [see Act s2.1 (1) (c)]

   (b) declaring the area of the State comprising:

   (i) the former district of the Town of Victoria Park; and

   (ii) the former district of the City of South Perth,

   to be a district (the new district);

   [see Act s2.1 (1) (a)]

   (c) changing the boundaries of the new district to reflect that shown in Section 1.7 of the Appendices.

   [see Act s2.1 (1) (b)]

2. **pursuant to clause 10A (1) (a) of Schedule 2.1 to the Act, that:**

   (a) the order referred to at para 1 above, which is required to include an order naming the new district, and an order designating the district, name it the City of South Park and designate it a city.

   [see Act ss 2.1 (1) (a) & s2.3 (1)]

(b) **the order which specifies the number of offices of councillor on the council for the local government of the City of South Park, specify that the number of offices of councillor on the council be 12.**

[see Act ss 2.1 (1) (a), 2.5 (1) & 2.18 (1) (a)]

6.7 Inquiries into proposals affecting the City of Canning and the City of Gosnells

Overview of relevant proposals

This section presents the findings of the Board's Inquiries into proposals affecting the City of Canning and the City of Gosnells.

Primary:

07/2013 Minister's Proposal: Boundary adjustment whereby the City of Gosnells incorporates most of the City of Canning, less parts of Canning transferred to the new combined City of South Perth/Victoria Park, the new combined Belmont/Kalamunda and to the City of Melville.

7. City of Canning proposal: Amalgamation of City of Canning and City of Gosnells, ceding parts to South Perth / Victoria Park and Melville (Leeming).

18. City of Gosnells proposal: Boundary adjustment to subsume most of the City of Canning, ceding parts to South Perth / Victoria Park and Melville (Leeming).

Secondary:

05/2013 Minister's Proposal: Belmont Kalamunda boundary adjustment, incorporating Welshpool from Canning. (For recommendation see Section 6.5)

06/2013 Minister's Proposal: Victoria Park -South Perth boundary adjustment, incorporating parts from Canning. (For recommendation see Section 6.6)

08/2013 Minister's Proposal: Boundary change to the City of Melville to add localities from Cockburn, Fremantle and Canning. (For recommendation see Section 6.8)

8. City of Belmont proposal: Boundary change to subsume Kalamunda, with the addition of localities from Swan and Canning. (For recommendation see Section 6.5)

9. City of Melville (1) proposal: Boundary changes with East Fremantle and Fremantle and the addition of localities from Cockburn and Canning. (For recommendation see Section 6.8)

10. City of Melville (2) proposal: Boundary changes to add localities from Cockburn, Fremantle and Canning. (For recommendation see Section 6.8)

13. City of South Perth / Town of Victoria Park proposal: Amalgamation of South Perth and Victoria Park, with addition of localities from the City of Canning. (For recommendation see Section 6.6)

15. Shire of Kalamunda proposal: Amalgamation of City of Belmont and Shire of Kalamunda, with the addition of localities from Swan and Canning. (For recommendation see Section 6.5)

Table 97 - Proposals to Local Government Advisory Board affecting the Cities of Canning and Gosnells

Proposal Number	Proposal name	Population estimate	Revenue estimate
7	City of Canning proposal	184,400	$170m
18	City of Gosnells proposal	184,400	$170m
13	City of South Perth / Town of Victoria Park proposal	92,800	Not stated
8	City of Belmont proposal	100,000	Not stated
9	City of Melville proposal 1	148,000	Not stated
10	City of Melville proposal 2	145,000	Not stated
15	Shire of Kalamunda proposal 1	100,000	Not stated
05/2013	Minister's Proposal – City of Belmont and Shire of Kalamunda	91,900	$125m
06/2013	Minister's Proposal – City of South Perth and Town of Victoria Park	90,700	$85m
07/2013	Minister's Proposal – Cities of Canning and Gosnells	103,800	$95m
08/2013	Minister's Proposal – City of Melville	162,000	$137m

7. City of Canning proposal

The City of Canning proposal is for an amalgamation with the City of Gosnells, with some boundary amendments. The City of Canning is reluctantly accepting local government reform and the proposal accepts the transferring of that part of the City of Canning generally north-west of Leach Highway (parts of Bentley, St James, Welshpool, Wilson), to the new combined City of South Perth/Victoria Park, only on the basis that a major part of the Burswood Peninsula is to transfer to the City of Perth. The proposal

also accepts correction of the Leeming anomaly by transferring its small portion of the locality to the City of Melville.

18. City of Gosnells proposal

The City of Gosnells proposal is essentially the same as that being proposed by the City of Canning, but Gosnells proposes it as a boundary change to the existing City of Gosnells so that it remains in place as a continuing local government. The City of Canning would be subsumed within the boundaries of the City of Gosnells. (The City of Canning does not agree with this approach and prefers a direct amalgamation of the two cities).

13. City of South Perth / Town of Victoria Park proposal

The joint City of South Perth / Town of Victoria Park proposal is to amalgamate the whole of the districts of the Town of Victoria Park and the City of South Perth to form a new local government entity. It also incorporates the area of the City of Canning generally north-west of Leach Highway (parts of Bentley, St James, Welshpool, Wilson) and the river front area of the City of Belmont known as Balbuk Reserve. Both Councils recommend to the Board, as part of their proposal, that retention of the whole of the Burswood Peninsula is critical to the sustainability of the local government entity and that transfer of portion of the City of Canning to the new entity must be contingent on the transfer of an equivalent proportion of resources, assets and funds.

8./15. Shire of Kalamunda / City of Belmont proposals

The Shire of Kalamunda proposal is to amalgamate with the City of Belmont with a boundary amendment to add a small portion of localities of Perth Airport, South Guildford and Hazelmere from the City of Swan, and Welshpool from the City of Canning. The Shire of Kalamunda proposal is identical to the City of Belmont proposal, but differs in the proposed method of change – amalgamation rather than boundary change. [Shire of Kalamunda proposal 25 was essentially the same, but did not include the Welshpool locality from the City of Canning.]

9./10. City of Melville proposals

The City of Melville proposal (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; and 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. Phase 2 includes incorporating the following areas by way of further boundary changes: the current City of Fremantle excluding North Fremantle and the inclusion of a small area of the City of Cockburn.

The second Melville proposal for boundary changes would add Coolbellup, North Lake, Bibra Lake and Jandakot airport from Cockburn; Leeming, Rossmoyne, Riverton, Shelley, Willetton, Parkwood, the Canning Vale Industrial area from Canning; and Samson and part of O'Connor from Fremantle; Bicton and Palmyra would be transferred from Melville to Fremantle.

07/2013 Minister's Proposal

The Minister's proposal is for a boundary adjustment whereby the City of Gosnells incorporates most of the City of Canning, transferring that part of the City of Canning generally north of Leach Highway (parts of Bentley, St James, Welshpool, Wilson) to the new combined City of South Perth/Victoria Park. The Minister's proposal is similar to the Canning / Gosnells proposals, in that the proposals cover similar territory but with the main difference being the proposed transfer of western portions of Canning to the City of Melville. This includes the transfer of a parcel of land (the site of a waste management facility) in Canning Vale adjacent to Ranford Road to the City of Melville. The Minister's proposal also differs to the Canning proposal in that it proposes a boundary amendment rather than an amalgamation between the two local governments.

06/2013 Minister's Proposal

The Minister's proposal is for a boundary adjustment whereby the Town of Victoria Park incorporates the City of South Perth, with the addition of parts of Bentley, St James, Welshpool, Wilson from the City of Canning and the ceding of part of the Burswood Peninsula (Burswood Casino complex and Stadium) to the City of Perth.

05/2013 Minister's Proposal

The Minister's proposal is for a boundary adjustment whereby the City of Belmont incorporates the Shire of Kalamunda, with the addition of part of Welshpool from the City of Canning.

Common elements and points of difference of the proposals

The Canning and Gosnells proposals are similar, in that both proposals cover exactly the same territory but with the main difference being in the proposed method of change. The Minister's proposal covers similar territory (albeit transferring west Canning to

Melville), but differs to the Canning proposal in that it proposes a boundary adjustment to the City of Gosnells rather than an amalgamation between the two local governments.

The inclusion of part of Bentley, St James, Welshpool and Wilson in the proposed South Perth / Victoria Park was supported by South Perth / Victoria Park, as well as the Minister. The City of Canning also supported this change, even though this constituted a loss of territory, but only in the event that South Perth / Victoria Park did not retain all of the Burswood Peninsular. The correction of the Leeming anomaly is common to the Canning, Gosnells and Minister's (7/2013) proposals.

A key difference is in respect of the areas sought by the City of Melville, which is not supported by the Cities of Canning and Gosnells. Similarly, the Cities of Canning and Gosnells do not support transferring part of Welshpool to Belmont / Kalamunda, as sought by those councils and the Minister's proposal 5/2013.

Current Situation

Together the two local governments cover an area of approximately 192 square kilometres and a population of around 218,000.

Table 98 - Vital Statistics for the City of Canning and City of Gosnells

Vital statistics	Canning	Gosnells	Total
Area (land) (sq km)	64.9	127.2	192.1
Population (2013)	96,356	121,252	217,608
Average annual growth 2007/2012	2.4%	3.8%	3.10%
Population density (per sq.km.)	1484.7	953.2	1,133
Dwellings	32,334	41,599	73,933
Value of building activity *$m	$247m	$236m	$483m
Length of sealed roads (km)	585	761	1346
No. Employees	686	630	1316
Residents per employee	136	185	160
Total rate revenue ($)*	$45,699,327	$54,543,066	$100,242,393
Total operating revenue ($)*	$106,247,738	$81,821,543	$188,069,281
Total operating expenditure ($)*	$110,675,172	$82,102,367	$192,777,539
Total rate revenue per capita ($)	$474.28	$449.83	$460.66
Total operating revenue per capita ($)	$1,102.66	$674.81	$864.26

Vital statistics	Canning	Gosnells	Total
Total operating expenditure per capita ($)	$1,148.61	$677.12	$885.89
Average residential rate per assessment 2012/13	$720	$992	No data

Source: various, including ABS and information returns to WA Local Government Grants Commission
*Based on 2013-14 annual budget

Historical background and local government boundary changes

The original inhabitants of the Canning and Gosnells districts were the Noongar Aboriginal people. The Canning District was one of the earliest settled areas and the Canning Road District was one of the original local governments established in the Perth region in 1871. It underwent some changes as territory was transferred on the formation of other districts in 1892 including the Municipality of Queen's Park and Gosnells Road District in 1907, at which time the Canning Road District was abolished. Further changes saw the Canning Road District re-established in 1921. In 1965, the Shires of Belmont and Kalamunda transferred by agreement 769 hectares of land in Welshpool to the Shire of Canning to allow Canning to facilitate its development for industrial purposes through the provision of the necessary infrastructure, including the drainage system. While there have been some changes in the Canning and Gosnells areas in the last 100 years or so, local government boundaries have remained relatively stable in the Perth metropolitan area, giving rise to a number of boundary reviews. Previous local government reviews have made some recommendations for change in the Canning-Gosnells area which have generally not been progressed.

Proposals previously considered by the Local Government Advisory Board

The Board considered in 2000 a proposal for boundary adjustment for the transfer of a part of the locality of Canning Vale from the City of Gosnells to the City of Canning. At the conclusion of the Board's inquiry, the Board recommended to the Minister that the proposal be rejected. The Board deemed that with significant anticipated growth in the area it would be premature to realign boundaries between the City of Gosnells and the City of Canning.

Regional cooperation and resource sharing

Canning is not currently a member of a regional council (having been previously been a member of the Southern Metropolitan Regional Council); Gosnells is a member of the Rivers Regional Council for waste management. The Cities of Canning and Gosnells are both members of the South-East metropolitan zone of WALGA, the Metropolitan Regional Road Group (28 other members) and the South East Technical Sub-Group (5

other members). Both local governments are also members of the Perth Airport Municipalities Group. The City of Gosnells has an active Local Emergency Management Committee that plans for the management and recovery from unexpected disasters and emergencies. The City of Canning jointly shares the LEMC responsibility with the City of South Perth.

It is noted that the City of Canning provides assistance to more than ten other local governments in regional WA in the areas of:

- financial reporting and processing
- administration and governance
- health and building services
- town planning
- project management
- aged care advice and delivery
- meals on wheels
- verge collection services
- swimming pool inspections

Demographic Characteristics and Trends

Significant population growth is expected to occur in the Canning / Gosnells area but this is at a lower rate than for metropolitan Perth as a whole (Table 99).

Table 99 - Local government populations 2006 to 2026

Local Government	Estimated Population*				Projected Population*			
	2006	2011	2016	% Growth from 2011	2021	% Growth from 2011	2026	% Growth from 2011
Canning	81,605	90,736	96,600	6.5%	101,200	11.5%	105,700	16.5%
Gosnells	95,746	112,435	122,600	9.0%	130,500	16.1%	139,000	23.6%
Canning / Gosnells	177,351	203,171	219,200	7.9%	231,700	14.0%	244,700	20.4%
Metro Perth	1,522,500	1,752,500	1,939,500	10.7%	2,105,700	20.2%	2,276,900	29.9%

*Source: Western Australian Planning Commission (2012) WA Tomorrow (Band C projections) http://www.planning.wa.gov.au/dop_pub_pdf/PlanningSummary.pdf

A significant proportion of the population increase in Canning will come as a result of in-fill development. In Gosnells, greenfields developments are still occurring at Southern River, Kenwick and Martin, and there is considerable in-fill occurring across the older suburbs of the City. An infill target has been set for the City of Canning of 9,000 additional dwellings by 2031, and 8,000 to 10,000 in Gosnells. There is also an estimated capacity for 8,500 to 13,000 in greenfields developments, for a total of 11,440 new dwellings in Canning and 17,260 new dwellings in Gosnells.

The Cannington Strategic Metropolitan Centre is identified as a 'Major Growth Area' with the Cannington train station being a major Transit Orientated Development (TOD) site, with the potential to accommodate more than 20,000 residents, albeit with an infrastructure cost of up to $240M. The Bentley Regeneration Project is one of Western Australia's most significant infill developments. According to the City of Canning, this project has been stalled through the uncertainty of local government reform, as the area in which this project is located could be transferred to the City of South Perth/Town of Victoria Park.

The City of Gosnells has identified the need to invest over $100M in the Maddington activity centre, within a framework that has the potential to accommodate approximately 24,400.

The Board considered detailed demographic information in respect of the proposals, drawing on the analysis it commissioned.[94] Typical of inner urban areas, the City of Canning has fewer children and more seniors, and smaller households compared to Gosnells. This directly relates to the greater degree of high and medium density housing in Canning. The demographic profiles of Canning and Gosnells are somewhat different; differences of note include higher percentages of university qualifications and professionals in the former. Also there is a higher percentage of recent arrivals and a lower percentage of Australian born in Canning compared to Gosnells. The City of Canning points out that an amalgamation with the City of Gosnells presents some challenges, given the significant differences to Gosnells including fewer lone person households, higher levels of renters, lower median rent, lower individual incomes and more diverse housing types. The City of Canning suggests that by transferring the western suburbs of Canning to Melville there will be a change in the residential profile of the City, giving the future City a different socio economic mix.

In the combined Canning / Gosnells area, the largest employment sectors were retail trade (11.0%), health care and social assistance (10.2%) and manufacturing (10.2%). The employment profile of Canning residents was similar to Gosnells residents but Canning has higher percentages of white collar professionals and lower percentages of blue collar workers relative to Gosnells. These differences flow on to higher incomes for Canning residents. Consequently the Canning local government has a lower level of socio-economic disadvantage compared to Gosnells and the metropolitan area generally. Demographic factors are not considered a major factor in assessing the proposal.

Service population is not considered a major issue for these proposals, although this may change in time as the size and role of the Cannington strategic centre increases.

Community of Interest

The Board has previously expressed the view that the external boundaries of a local government should reflect distinct communities of interest wherever possible. The following observations about communities of interest in the Canning and Gosnells areas were noted by the Board.

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[94] Metropolitan Local government Reform Demographic Analysis, Geografia 2014

Table 100 - Localities affected by the Canning / Gosnells proposals

Locality	Pop. (2011 Census)	Current City of Canning	Current City of Gosnells	Canning / Gosnells Proposals 7 & 18	Minister's Proposal 07/2013
Bentley	7,166	Yes	No	Part	Part
Canning Vale	10,642	Part	Part	Yes	Part
Cannington	4,877	Yes	No	Yes	Yes
East Cannington	4,472	Yes	No	Yes	Yes
Ferndale	4,556	Yes	No	Yes	Yes
Leeming (part)	(included in Willeton)	Part	No	No	No
Lynwood	3,332	Yes	No	Yes	Yes
Parkwood	6,493	Yes	No	Yes	Yes
Queens Park	5,142	Yes	No	Yes	Yes
Riverton	5,138	Yes	No	Yes	No
Rossmoyne	3,576	Yes	No	Yes	No
Shelley	4,567	Yes	No	Yes	No
St James	3,710	Yes	No	No	No
Welshpool	16	Yes	No	Part	Part
Willetton	18,716	Yes	No	Yes	No
Wilson	5,667	Yes	No	Part	Part

Locality	Pop. (2011 Census)	Current City of Canning	Current City of Gosnells	Canning / Gosnells Proposals 7 & 18	Minister's Proposal 07/2013
Beckenham	6,444	No	Yes	Yes	Yes
Gosnells	19,096	No	Yes	Yes	Yes
Huntingdale	8,554	No	Yes	Yes	Yes
Kenwick	5,535	No	Yes	Yes	Yes
Langford	5,394	No	Yes	Yes	Yes
Maddington	10,071	No	Yes	Yes	Yes
Martin	555	No	Yes	Yes	Yes
Orange Grove	1,421	No	Yes	Yes	Yes
Southern River	6,625	No	Yes	Yes	Yes
Thornlie	23,910	No	Yes	Yes	Yes

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Educational Facilities: The boundaries of the Canning and Gosnells areas contain multiple government primary schools, and nine government high schools (Cannington Community, Canning Vale, Sevenoaks Senior, Southern River and Yule Brook Colleges and Lynwood, Rossmoyne, Thornlie, Willetton Senior High Schools). Private colleges include Lumen Christi, St Norberts, Thornlie Christian, Rehoboth Christian, and Langford Islamic. Canning College focusses on adult learners. The local intake areas of Rossmoyne and Willetton Senior High School correspond to areas proposed to be acquired by the City of Melville under its proposal. The private colleges tend to draw the majority of students from across the wider metropolitan area. Curtin University, Western Australia's largest university abuts the current City of Canning and Polytechnic West has a campus in Thornlie.

Journey to Work: According to the 2011 Census, there were 92,331 workers residing in the combined Canning / Gosnells areas. There were 81,710 employed workers in the combined Canning / Gosnells areas. This yields a high potential self-containment rate (88.5%), but this is tempered by the percentage of residents who work locally: Canning has a self-containment rate 121% and Gosnells' self-containment rate 41%. The biggest percentage of Canning and Gosnells residents work in the Canning area (28.6% and 20.3%) respectively. Canning Vale Commercial and Welshpool are important destinations within Canning. Perth City is also an important employment destination for both Canning and Gosnells residents. There are a lot more jobs available in Canning (70,730) compared to Gosnells (28,294).

Newspaper circulation: Suburban papers circulating in the area affected by the proposals include the Canning Times, Comment News, Canning/Victoria Park Examiner and Armadale/Gosnells/Serpentine/Jarrahdale Examiner. The Canning Times serves the current City of Canning, while the Comment News serves the Gosnells, Armadale and northern portion of Serpentine Jarrahdale local government areas. As the names suggest, the Canning/Victoria Park Examiner serves the Canning and Victoria Park areas, and the Armadale/Gosnells/Serpentine/Jarrahdale Examiner serves three local government areas with three separate editions, down as far as North Dandalup in the Shire of Murray.

State Electoral Districts: The City of Canning is covered by the State Legislative Assembly seats of Cannington, Victoria Park, Belmont, Riverton, and Southern River, although most of the City is in the two South Metropolitan Region seats of Cannington and Riverton. The City of Gosnells falls across five State Legislative Assembly seats, some in the East Metropolitan Region and some in the South Metropolitan Region: Cannington, Gosnells, Jandakot, Kalamunda, Southern River. It is mainly in the two seats of Gosnells and Southern River.

Commonwealth Electoral Divisions: The City of Canning is spread across the Federal divisions of Swan and Tangney. The City of Gosnells is in the Federal divisions of Hasluck and Swan. The electorate of Swan follows the Swan and Canning Rivers for much of its boundary, and the Roe Highway, so includes all or part of the local government areas of South Perth, Victoria Park, Belmont, Canning and Gosnells, showing some community of interest links between those parts of Canning proposed to be added to South Perth / Victoria Park. The electorate of Tangney follows the Swan and Canning Rivers for part of its boundary, and includes all or part of the local government areas of Melville, Canning and Gosnells, showing some community of interest links between those portions of Canning proposed to be added to Melville. The electorate of Hasluck includes all or part of the local government areas of Swan, Kalamunda, Mundaring and Gosnells.

Public transport: This area has the advantage of bus and rail access to the Perth central area, which is the biggest employment destination for residents. Various bus routes, using Albany Highway, Spencer Road and Manning Road connect the suburbs through to the CBD and Curtin University. The Perth-Armadale-Thornlie railway is particularly important, with stops at Welshpool, Queens Park, Cannington, East Cannington, Kenwick, Thornlie, Maddington, Gosnells, and Seaforth. A spur line to Thornlie opened in 2005. The City of Canning is preparing a Local Planning Strategy which will include an Integrated Transport Strategy.

Community of Interest: Summary and Comment

There are some community of interest links between Canning and Gosnells, but there is also a tendency for northern parts of the affected area to have some links with Victoria Park, southern parts to have some links to Armadale, and western parts to have some links with Melville. Points to note include:

- Canning and Gosnells are linked by major transport routes, including Albany Highway and the Armadale railway.
- Demographic characteristics of Canning and Gosnells are similar but with significant differences.
- Industry of employment and journey to work patterns of Canning and Gosnells are relatively similar.
- The local intake area of the Rossmoyne and Willetton high schools overlap into the City of Melville area.
- The areas receive different local community newspapers.

- The area is split across different Legislative Council electoral regions (as the City of Gosnells is itself) and both districts are split across several adjacent Legislative Assembly electorates.
- Both the Canning and Gosnells districts are also split across Federal electorates, including the electorate of Swan which incorporates parts of both.

While these observations do not in themselves decide the case for or against a merger of Canning and Gosnells, they provide limited evidence of community of interest. There are no compelling points of difference between the various localities affected by the proposed change to suggest that a merger should not happen. Analysis of the Canning and Gosnells strategic community plans suggest a basis exists for a compatible merger.

Economic Considerations

The economic activity in Canning and Gosnells comprises a mix of service industries including health, education, retail, hospitality and other professional services. There are significant industrial areas in Canning, but these are less developed in the Gosnells area. In the area affected by the Canning / Gosnells proposals the following activity centres are identified by Directions 2031:

- Strategic metropolitan centre - Cannington
- Strategic Industrial Centres – Kewdale/Welshpool.
- Specialised Centres – Bentley/Curtin
- Industrial Centres – Willetton, Maddington
- Secondary Centres – Maddington
- District Centres – Bull Creek, Riverton, Southlands

Cannington is presently the most significant strategic activity centre in the south east region. It currently has a strong retail focus, but an expansion of the centre to include a more diverse range of uses such as residential (1700 new dwellings), offices, community, healthcare, education and entertainment is expected to consolidate its important position in the Perth activity centres hierarchy. It has a significant main trade area that extends beyond the boundaries of the City of Canning.[95] The Maddington Kenwick Strategic Employment Area is currently being considered for rezoning for potential future industrial development.[96]

[95] Canning City Centre Structure Plan, City of Canning, 2013
[96] http://www.gosnells.wa.gov.au/files/adb20c1a-1a67-4ff8-ac16-a36400e552b6/1-X1351B_RW_MKSEA_LPPdoc.pdf

Economic development objectives are included in the Canning and Gosnells strategic community plans. The City of Gosnells is a long-time supporter and co-sponsor of the Small Business Centre South East Metro and Canning sponsors the Welshpool Business Enterprise Centre. The City of Canning has recently endorsed an Economic Development Strategy.

Public Infrastructure

Significant public and private infrastructure is already present in the Canning and Gosnells area. It includes the roads and rail network, health and education establishments, and recreation and community facilities. Local government and community infrastructure in the region includes two local government offices, two local government depots, eight local government libraries, three aquatic centres, multiple community centres/halls, two museums, a Business Centre, Education Centre, Performing Arts Centre as well as various parks, gardens and playgrounds and foreshore reserves.

Proposed amendments to the City of Canning boundary would have a major impact on the distribution of infrastructure. Major local government infrastructure in the portion of the City of Canning proposed to be transferred to South Perth / Victoria Park includes a library and community centre, child health centre, aquatic centre (closed), halls, pavilions, parks, local roads and footpaths. Similarly, a longer list of local government infrastructure could potentially be transferred to Melville including Canning Care Services administration (Willetton), Canning Lodge (low care residential), Rossmoyne Retirement village and Riverton Leisureplex. Under the alternative Melville proposal further infrastructure would be transferred, including the Canning Vale Community Centre, Waste Transfer Station, Canning Vale and Whaleback Golf Course and Function Centre.

This information confirms the conclusion that the area is well served with public and private infrastructure. The possibility of change in local government arrangements in the region would have potential impact on the management arrangements for this infrastructure.

Environmental Context

The environmental context of this area can be summarised as being part of the Swan coastal plain, with remnant wetlands and bushland. The Canning River and tributaries such as the Southern River are important landscape features. The Canning River Regional Park, which extends 6 kilometres along the Canning River between the Shelley and Nicholson Road Bridges, is a significant reserve and includes the Canning River Eco Education Centre.

Canning and Gosnells each have strategies and programs dedicated to maintaining and improving the natural environment. This includes recognition within the strategic community plans, and waste management, climate change and waterwise components. The City of Gosnells, for example, has completed a Biodiversity Conservation Management Plan. The City of Gosnells works with the City of Armadale and the Armadale Gosnells Landcare Group on the management of areas surrounding the Canning and Southern Rivers. From the available information, it can be concluded that there are similarities in these communities' aspirations for the natural environment.

Local Government

The Cities of Canning and Gosnells have largely completed the statutory requirements under the integrated planning framework for a strategic community plan and corporate business plan. These documents provide a foundation for integrating the planning for the future for the new local government entity.

Employment in the two local governments of Canning and Gosnells totalled over 1000 FTEs (2010-11 figures) with duplication in many roles including Chief Executive Officers and senior directors. There is also likely to be some scope for rationalisation of infrastructure and equipment while at the same time maintaining effective and efficient delivery of services. At present, the proposed area includes two council offices / civic centres and two depots.

There are many services offered by the two local governments that are complementary, such as Gosnells Performing Arts Centre and Canning's Eco Education Centre, the Orange Grove Equestrian Facility and Canning's Patrol and Security Services. Notable facilities include the Riverton Leisureplex, a multi-purpose leisure facility incorporating pools, indoor courts, gym, kids' gym, crèche and café. The majority of members (76%) originate from suburbs located within the City of Canning and the City of Gosnells. The City of Melville raised concerns about the cost of running the Riverton Leisureplex, as the facility services a large population that would not be paying rates to the City of Melville, effectively meaning that Melville ratepayers will cross subsidising Canning-Gosnells residents. The City of Canning raised concerns about the future of its community care services, noting that the Cities of Melville and Gosnells have different service delivery models, such that boundary changes that 'split' services and facilities between Gosnells and Melville will have a number of negative consequences for new local governments, clients and staff, and clients most at risk will be fearful of unknown short and medium term changes to care arrangements.

Each local government has the required local planning strategies and town planning schemes to guide and control development in their respective areas. Directions 2031

has a target of about 28,700 new dwellings in this area by 2031. Land development in the Canning and Gosnells areas represented 8% of total lot creation across the metropolitan area in 2012-13. The Metropolitan Central Joint Development Assessment Panel (JDAP) covers Canning and six other local governments. Gosnells is included in the Metropolitan East JDAP together with Swan, Mundaring, Kalamunda, Armadale and Serpentine Jarrahdale.

Local government financial information

With a rate base that includes diverse and highly valued commercial, retail and residential properties, the combination of Canning and Gosnells will be a financially strong local government, with operating revenue in excess of $142m (2013-14).

GRV rates (cent in the dollar) are currently low in Melville and high in Canning and Gosnells. At $540, Canning has the lowest minimum rate in the metropolitan area, however the refuse charge is among the highest at $339. The City of Gosnells comes in at $850 and $247 respectively. The City of Canning's Security Charge is $48 per year; the City of Gosnells does not currently provide a security service and the City of Melville charges $51.20 per year.

There would be no effect on the total financial assistance grant entitlements, with the new entity receiving the total of the current entitlements of the constituent local governments. Collectively these grants account for only 4% of the local government's current revenue.

Table 101 - Local government financial data for the Cities of Canning and Gosnells

Financial data	Canning	Gosnells	Total
Total rate revenue ($)*	$45,699,327	$54,543,066	$100,242,393
Total operating revenue ($)*	$106,247,738	$81,821,543	$188,069,281
Total operating expenditure ($)*	$110,675,172	$82,102,367	$192,777,539
Total rate revenue per capita ($)	$489	$468	$478
Total operating revenue per capita ($)	$651	$702	$679
Total operating expenditure per capita ($)	$1,185	$704	$918
Average residential rate per assessment 2012/13* ($)	$720	$992	$851
Rates as % of operating revenue	75.2%	66.7%	70.3%
Residential rates as % of rates	N/A	N/A	N/A
Commercial rates as % of rates	N/A	N/A	N/A
Employee Costs	$48,630,295	$34,442,116	$83,072,411

*Based on 2013-14 annual budget

Table 102 - Rate in dollar GRV (2013/14 budget)

Council	Minimum Rate (2013/14)	Residential Improved GRV Rate/$	Commercial Improved GRV Rate/$	Industrial Improved GRV Rate/$
Canning	$540	0.068	0.068	0.068
Gosnells	$850	0.06612	0.06612	0.06612
Belmont	$755	0.054855	0.063632	0.063906
Melville	$658	0.0500961	0.059649	0.059649
South Perth	$825	0.062	0.062	0.062
Victoria Park	$800	0.073	0.073	0.073

With the assistance of the affected local government, information has been compiled for the Board in respect of the areas affected by these proposals. (Tables 103-104)

Table 103 - Key revenue financial information for the Minister's Proposal 07/2013 – Cities of Canning and Gosnells

Minister Proposal 07/2013 - Canning/Gosnells	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Canning	$92,634,451	$99,986,259	$42,894,595	$28,515,348	$2,140,148
Gosnells	$84,378,466	$75,483,551	$51,889,238	$18,353,788	$2,309,909
Less: Canning - Welshpool	$6,989,269	$4,407,494	$4,457,992	$1,695,551	$138,114
Less: Canning - Bentley, St James and Wilson	$9,484,803	$8,948,870	$5,317,368	$2,137,034	$127,217
Less: Canning - Rossmoyne, Shelley, Willetton, Canning Vale, Leeming and Riverton	$22,590,764	$27,388,336	$9,597,666	$10,103,843	$358,710
TOTAL	**$137,948,082**	**$134,725,109**	**$75,410,807**	**$32,932,708**	**$3,826,016**

Table 104 - Key financial information for Canning and Gosnells Proposals 7 and 8

Proposal 7 & 18 - City of Canning, City of Gosnells	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Canning	$92,634,451	$99,986,259	$42,894,595	$28,515,348	$2,140,148
Gosnells	$84,378,466	$75,483,551	$51,889,238	$18,353,788	$2,309,909
Less: Canning - Welshpool	$6,989,269	$4,407,494	$4,457,992	$1,695,551	$138,114
TOTAL	$170,023,648	$171,062,316	$90,325,841	$45,173,585	$4,311,943

Table 105 - Comparative summary of Canning and Gosnells proposals

City of Canning/ Gosnells under	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Minister proposal	$137,948,082	$134,725,109	$75,410,807	$32,932,708	$3,826,016
Canning/Gosnell proposal	$170,023,648	$171,062,316	$90,325,841	$45,173,585	$4,311,943
Difference	$32,075,566	$36,337,206	$14,915,034	$12,240,877	$485,927

Financial health checks

It is noted that in the Department of Local Government's 2009 Local Government Reform Steering Committee report, Canning and Gosnells were both rated as Category 1. The independent expert analysis of the financial position of the local governments conducted for the Metropolitan Local Government Review Panel included a five-year analysis of sustainability measures, and both Canning and Gosnells were rated as sustainable. More recently, a financial health check (based on the 2012-13 annual financial statements)

undertaken by the Department of Local Government and Communities has rated the assessed position of Gosnells as Strong, and Canning as Satisfactory.

Financial Sustainability Analysis

The Western Australian Treasury Corporation (WATC) was commissioned to undertake a comparative analysis of the financial sustainability of existing and proposed metropolitan local governments. The financial analysis by WATC was based on the seven (7) financial ratios on which local governments are required to report, considering the past four financial years using the annual financial statements, and the forward looking next four years based on the financial plans, with seven years of data (2010-2017) to derive a Financial Sustainability Score as follows:

Table 106 - Financial Sustainability Score (FSS)

FSS for current and proposed authorities	2010-2013	2010-2017
Existing Canning	56	49
Existing Gosnells	87	88
City of Canning Proposal 7	81	73
City of Gosnells Proposal 18	81	73
Minister Proposal 07/2013	83	79

Source: WA Treasury Corporation. The FSS for all current metropolitan local governments and the proposed restructured local governments are included in Section 4 of the Appendices

All proposals have a positive impact for the Canning area without significantly impacting on the Gosnells area, reducing the significant FSS differential between the two local governments.

Table 107 - 2012/13Financial Ratios

Local Government	Current Ratio	Debt Service Coverage	Own Source Revenue	Operating Surplus	Asset Consumption	Asset Sustainability	Asset Renewal
Canning	1.11	4.46	0.89	0.04	0.64	0.65	0.82
Gosnells	2.20	4.08	1.04	0.110	0.84	1.87	0.77

Submissions to the Local Government Advisory Board

Submissions were provided to the Board during the advertised public submission periods by local governments, industry groups, local businesses and affected ratepayers. A summary of these submissions is detailed below. Note the following summaries are the position put forward by those making the submission.

Local government submissions

The local governments of Canning and Gosnells made similar proposals to the Board (same boundaries but different transition mechanisms). They have also made submissions to the Board for this inquiry. Key points were as follows:

City of Canning

The City of Canning changed its position since submitting its proposal to the Board and no longer supports any change to its boundaries. In summary, the City submitted that the case for retaining the City of Canning in its current form is very strong, whereas the Minister's proposal is very high risk in terms of the delivery of quality services to residents within an affordable rates platform. It also puts at risk the focused delivery of the Government's own urban renewal and urban growth management objectives, by taking away one of the City of Canning's major revenue streams used to fund long term infrastructure investments. The City of Canning's rate base, because of its size and strength, has the ability and focus to implement the State Government's regional planning objectives. The City argues that there is a real risk that the capacity and conflicting priorities under a newly created structure could delay or halt the proposed Canning capital works program. This would be a distinct disadvantage to the State Government's Regional Planning and Infrastructure objectives. It is argued that the retention of the City of Canning in its current form is the only scenario that guarantees the continued direct delivery of these high quality services.

City of Gosnells

The City of Gosnells indicated that it proposed the boundary for a new Gosnells/Canning entity on advice from, and in support of, the City of Canning. The City of Gosnells specifically comments on the proposal to move the Canning Vale waste site. The City considers it inappropriate that this land be transferred to the City of Melville when it is of critical importance to the new Gosnells/Canning entity as the City of Gosnells has no waste transfer station. The City also comments on the Welshpool industrial area, noting it is located close to the regional activity centre of

Cannington such that it is an essential element for ensuring that the regional activity centre develops and operates effectively with adequate funding. The fact that the City of Gosnells has no wards facilitates either a no ward option or a ward based outcome for the new entity.

City of Melville

The City of Melville opposes Proposal 07/2013 only to the extent of inconsistencies with its own Proposal 10, which would incorporate the entire locality of Riverton in Melville, along with the locality of Parkwood and the area of Canning Vale to the north of the Fremantle-Kewdale freight rail line. Melville considers the Canning Vale Industrial Area near Bannister Road as pivotal to its share of the regional commercial- industrial rates base. In general, Melville argues that its own proposal establishes a district with logical and clear boundaries, including the Swan and Canning Rivers to the north, High and Nicholson Roads to the east, and the freight rail line on the south. It contends that this establishes a clear delineation between the community catchments of Booragoon-Murdoch and those associated with Canning, Cockburn and Fremantle. As such, it opposes Proposals 7 and 18 on the basis that they conflict with its own proposal.

Other submissions

27 public submissions indicated support for the Minister's proposal (07/2013), all from residents of the current Canning district, reflecting either a perception of poor performance by the City of Canning or general endorsement of 'streamlining' local governments.

However, over 95 per cent of the 2068 submissions against proposal 07/2013 were also from residents of Canning or employees of the City (135 identified themselves as staff members concerned about continued employment). Most submissions were based on general objections to changing the status quo, a common theme among Canning residents being the perception that fragmentation of the district would deliver assets and resources to the populations of surrounding local governments with a diminishing focus on services to the current Canning population.

Over 95 per cent of the 146 submissions against Proposal 7 were also from Canning residents, with six public submissions in support. Generally the submissions against the proposal expressed no particular objection to the City of Canning's preference for an amalgamation with the City of Gosnells, but simply refuted the need for any change to the status quo.

Proposal 18 prompted only nine submissions, one in support and eight against. However, they repeated the theme of endorsing either 'streamlining' or retention of the status quo.

A number of parliamentarians lodged submissions, most of whom expressed opposition to some or all proposals (7, 18, 07/2013), on the grounds that they considered Canning a strong and financially viable local government and or that the process or mechanism for change was flawed.

Table 108 - Submissions lodged on proposals

Origin of submissions	**Number of submissions**					
	Proposal 07/2013		**Proposal 7**		**Proposal 18**	
	For	Against	For	Against	For	Against
Local governments	1	2	1	0	1	1
Stakeholders	1	13	1	5	0	2
Individuals	27	2068	6	146	2	8
Total	**29**	**2083**	**8**	**151**	**3**	**10**

Table 109 - Petitions lodged on proposals

Creator of petition	**Number of signatures**					
	Proposal 07/2013		**Proposal 7**		**Proposal 18**	
	For	Against	For	Against	For	Against
City of Canning residents	0	2123	N/A	N/A	N/A	N/A
Herald Avenue Senior Citizens Club	0	387	N/A	N/A	N/A	N/A
Multicultural Day Centre - Pendana	0	20	N/A	N/A	N/A	N/A
Total	**0**	**2530**	**N/A**	**N/A**	**N/A**	**N/A**

Table 110 - Summary information for current Cities of Canning and Gosnells and for Proposals 7, 18 and 07/2013

Summary information	Canning	Gosnells	Canning / Gosnells Proposals 7 & 18	Minister's Proposal 07/2013
Population 2013	96,356	121,252	209,601	170,372
% variation from 100,000 in 2013	-3.6%	21%	109%	70%
Population 2026	108,830	143,610	236,636	199,086
Population 2050	124,670	174,870	281,438	238,424
Strategic centres (Strategic – bold)	**Cannington**	Maddington (Secondary)	**Cannington** Maddington (Secondary)	**Cannington** Maddington (Secondary)
Future industrial sites	Canning Vale	Maddington Kenwick Strategic Employment Area	Canning Vale; Maddington Kenwick Strategic Employment Area	Maddington Kenwick Strategic Employment Area
Additional dwelling Target (D2031)	11,440	17,260	28,700	No data
Local employment %	121%	41%	No data	No data
Total Employees	686	630	No data	No data
Total Expenditure	$110,675,172	$82,102,367	No data	No data

Summary information	Canning	Gosnells	Canning / Gosnells Proposals 7 & 18	Minister's Proposal 07/2013
Total Rates	$45,699,327	$54,543,066	No data	No data
Average residential GRV	$16,905	$16,613	No data	No data
Average residential rate	$720	$992	No data	No data
GRV rate in $	0.068	0.06612	No data	No data
Rates as % of revenue	75.2%	66.7%	No data	No data
Residential rates %	No data	No data	No data	No data
Commercial rates %	N/A	N/A	No data	No data
DLGC Financial health check	Satisfactory	Strong	No data	No data
Operating Surplus	0.04	0.110	0.07	0.09
Current ratio 2013	1.106	2.197	1.62	1.76
WATC Ratio Profile	No data	No data	reasonably balanced	reasonably balanced
WATC Financial Sustainability Score (2010-2013)	56	87	81	83
WATC Financial Sustainability Score (2010-2017)	49	88	73	79

Assessment of the City of Gosnells Proposal 18

against Local Government Advisory Board criteria

Proposal 18 is subject to the outcome of the further public submission periods for Proposals 10 and E1.

From the City of Gosnells proposal:

"The Cities of Gosnells and Canning both have a large number of planned capital works projects that need to be funded into the future. The majority of these are regional projects that will service the needs of communities both inside and outside the Gosnells/Canning entity. If income is lost from the combined Cities, particularly through the loss of the Welshpool industrial area, then these projects will have to be placed on hold, reviewed and re-prioritised in the context of the rates base of the future Gosnells/Canning entity."

Community of interest

There are some community of interest links between Canning and Gosnells, but there is also a tendency for northern parts of the affected area to have some links with Victoria Park, southern parts to have some links to Armadale, and western parts to have some links with Melville. Points to note include:

- Canning and Gosnells are linked by major transport routes, including Albany Highway and Armadale railway.
- Industry of employment and journey to work patterns of Canning and Gosnells are relatively similar.
- The local intake area of the Rossmoyne and Willetton high schools overlap into the City of Melville.
- The areas receive different local community newspapers.
- The area is split across different Legislative Council electoral regions (as is the City of Gosnells).
- Canning and Gosnells are located within different Federal electorates.

While of themselves these observations do not provide a compelling argument for an amalgamation of Canning and Gosnells, the Board can see no compelling points of difference in community of interest to suggest that an amalgamation should not proceed.

Given the vision in the City of Canning for *connecting and supporting people; a connected and inclusive community*, and in the City of Gosnells for *a vibrant City with a strong community identity and harmonious community,* the Board believes there is a basis for a compatible merger. The capacity of the local government to engage the community would be strong. The service needs of specific communities of interest would be well served.

Physical and topographic features

The City of Canning is focused on the localities around the Canning River, so the Canning River is not so much a boundary feature as a uniting feature. The City noted that events of cultural significance to its community are held on the foreshore. Leach Highway provides a strong new boundary in the north. Most of the perimeter boundary is based on the existing boundaries of Gosnells. The proposed boundary is not considered by the Board to affect the capacity of the broader community to access services and would enhance the capacity of the local government to service the community.

Demographic trends

The Board can see no compelling points of difference in the demographic details of the localities affected by the proposed boundary change. Demographic trends are not considered a major factor in assessing this proposed local government. The Board considers that the capacity of the local government to service the needs of the growing and changing community would be strong.

Economic factors

With a focus on the strategic activity centre of Cannington and secondary centre of Maddington, the impact of the proposed boundary change on economic factors is considered to be positive, reinforcing the capacity of the local government to service a socially and economically diverse community. The attention to economic development in the respective strategic plans, the City of Canning's Economic Development Strategy, and the facilities for small business, could be built upon to facilitate economic growth and investment across the broader area. The proposal is consistent with facilitating the objectives of the State Government's *Directions 2031 and Beyond* planning framework. There are strong economic linkages between Canning and Gosnells, and the Board considers the strength and commonality of economic factors a positive dimension to the proposed boundary change.

The history of the area

The proposed merger might be seen by some as contributing to a loss of local history, but that history will fundamentally remain. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. In the Board's view, there are no significant differences in the history of the areas to suggest that the proposed merger should not proceed. The history of particular communities and local governments would not be lost. The history of the area is not considered a major factor in assessing this proposal.

Transport and communication

The Board anticipates that the work commenced by the City of Canning on an Integrated Transport Strategy will provide a basis for better transport planning in the larger area. There is also an advantage in having a major part of Albany Highway located within one City. The boundary change is considered to offer transport benefits to residents and businesses of the area and offers the potential for improved access to services by the community.

Matters affecting the viability of local governments

According to the WATC analysis, the proposed boundary change had a positive impact for the Canning area by reducing the significant FSS differential between the two local governments. Given the financial strength of the proposed local government, and the potential to address sustainability issues and rationalise some duplicated infrastructure assets, the boundary change is considered by the Board to be a positive outcome on this criterion.

The effective delivery of local government services

The Board considers that the effective delivery of local government services would be maintained and potentially enhanced by the proposed local government, which would have the capacity and resources to deliver services at least to a comparable standard to those currently provided. The local government would be relatively compact in terms of its size and the geographical spread of the population. The capacity of the local government to service the community would be strong. The proposal is consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community. Major projects identified in community plans could proceed, while capacity to undertake some projects such as the development of the Cannington strategic activity centre would be enhanced.

Assessment of the City of Canning's Proposal 7

against Local Government Advisory Board criteria

Proposal 7 was assessed and rejected by theBoard.

From the City of Canning proposal:

"The Proposal being put to the Advisory Board by the City of Canning is in fact a third choice which has been submitted only to support the desire of the State Government to amalgamate and add to the smaller Councils to the north (City of South Perth and the Town of Victoria Park). The Proposal accepts the transferring of that part of the City of Canning generally north of Leach Highway, east of Centenary Avenue, to the new combined City of South Perth Victoria Park only on the basis that a major part of the Burswood Peninsula is to transfer to the City of Perth"

Community of interest

There are some community of interest links between Canning and Gosnells, but there is also a tendency for northern parts of the affected area to have some links with Victoria Park, southern parts to have some links to Armadale, and western parts to have some links with Melville. Points to note include:

- Canning and Gosnells are linked by major transport routes, including Albany Highway and Armadale railway.
- Demographic characteristics of Canning and Gosnells are somewhat similar.
- Industry of employment and journey to work patterns of Canning and Gosnells are relatively similar.
- The local intake area of the Rossmoyne and Willetton high schools overlap into the City of Melville.
- The areas receive different local community newspapers.
- The area is split across different Legislative Council electoral regions (as is the City of Gosnells).
- Canning and Gosnells are located within different Federal electorates.

While of themselves these observations do not provide a compelling argument for an amalgamation of Canning and Gosnells, the Board can see no compelling points of difference in community of interest to suggest that an amalgamation should not proceed.

Given the vision in the City of Canning for *connecting and supporting people; a connected and inclusive community*, and in the City of Gosnells for *a vibrant City with a strong community identity and harmonious community,* the Board believes there is a basis for a compatible merger. The capacity of the local government to engage the community would be strong. The service needs of specific communities of interest would be well served.

Physical and topographic features

The City of Canning is focused on the localities around the Canning River, so the Canning River is not so much a boundary feature as a uniting feature. The City noted that events of cultural significance to its community are held on the foreshore. Leach Highway provides a strong new boundary in the north. Most of the perimeter boundary is based on the existing boundaries of Gosnells. The proposed boundary is not considered by the Board to affect the capacity of the broader community to access services and would enhance the capacity of the local government to service the community.

Demographic trends

The Board can see no compelling points of difference in the demographic details of the localities affected by the proposed amalgamation. Demographic trends are not considered a major factor in assessing this proposed local government. The Board considers that the capacity of the local government to service the needs of the growing and changing community would be strong.

Economic factors

With a focus on the strategic activity centre of Cannington and secondary centre of Maddington, the impact of the proposed amalgamation on economic factors is considered to be positive, reinforcing the capacity of the local government to service a socially and economically diverse community. The attention to economic development in the respective strategic plans including the City of Canning's Economic Development Strategy and the facilities for small business could be built upon to facilitate economic growth and investment across the broader area. The proposal is consistent with facilitating the objectives of the State Government's *Directions 2031 and Beyond* planning framework. There are strong economic linkages between Canning and Gosnells and the Board considers the strength and commonality of economic factors a positive dimension to the proposed amalgamation.

The history of the area

The proposed merger might be seen by some as contributing to a loss of local history, but that history will fundamentally remain. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. In the Board's view, there are no significant differences in the history of the areas to suggest that the proposed merger should not proceed. The history of particular communities and local governments would not be lost. The history of the area is not considered a major factor in assessing this proposal.

Transport and communication

The Board anticipates that the work commenced by the City of Canning on an Integrated Transport Strategy will provide a basis for better transport planning in the larger area. There is also an advantage in having a major part of Albany Highway located within one City. The amalgamation is considered to offer transport benefits to residents and businesses of the area and offers the potential for improved access to services by the community.

Matters affecting the viability of local governments

According to the WATC analysis, the proposed amalgamation had a positive impact for the Canning area by reducing the significant FSS differential between the two local governments. Given the financial strength of the proposed local government, and the potential to address sustainability issues and rationalise some duplicated infrastructure assets, the amalgamation is considered by the Board to be a positive outcome on this criterion.

The effective delivery of local government services

The Board considers that the effective delivery of local government services would be maintained and potentially enhanced by the proposed local government, which would have the capacity and resources to deliver services at least to a comparable standard to those currently provided. The local government would be relatively compact in terms of its size and the geographical spread of the population. The capacity of the local government to service the community would be strong. The proposal is consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community. Major projects identified in community plans could proceed, while capacity to undertake some projects such as the development of the Cannington strategic activity centre would be enhanced.

Assessment of the Minister's Proposal 07/2013

against Local Government Advisory Board criteria

Proposal 07/2013 was assessed and rejected by the Board.

From the Minister's proposal 07/2013:

"The proposed enlarged district of the City of Gosnells contains the strategic activity centre of Cannington, which is a significant service centre whose catchment extends into many residential areas beyond the current City of Canning boundary. The creation of the enlarged district provides the opportunity to support the enhanced planning and development of the Cannington strategic activity centre, including future transit oriented development in the district."

Community of interest

There are some community of interest links between Canning and Gosnells, but there is also a tendency for northern parts of the affected area to have some links with Victoria Park, southern parts to have some links to Armadale, and western parts to have some links with Melville. This provides some support for the proposed transfer to Melville and South Perth - Victoria Park. Points to note include:

- Canning and Gosnells are linked by major transport routes, including Albany Highway and Armadale railway.
- Industry of employment and journey to work patterns of Canning and Gosnells are relatively similar.
- The local intake area of the Rossmoyne and Willetton high schools overlap into the City of Melville.
- The areas receive different local community newspapers.
- The area is split across different Legislative Council electoral regions (as is the City of Gosnells).
- Canning and Gosnells are located within different Federal electorates.

While of themselves these observations do not provide a compelling argument for an amalgamation of Canning and Gosnells, the Board can see no compelling points of difference in community of interest to suggest that an amalgamation should not proceed.

Given the vision in the City of Gosnells plan for *a vibrant City with a strong community identity and harmonious community,* there is a sound basis to take on the

responsibility for additional area. The capacity of the City of Gosnells to engage the community would remain strong. The service needs of specific communities of interest would be well served.

Physical and topographic features

Most of the perimeter boundary is based on the existing boundaries of City of Gosnells. Leach Highway provides a strong new boundary in the north. The Canning River runs through the existing local governments. The proposed boundary is not considered by the Board to affect the capacity of the broader community to access services and would generally enhance the capacity of the local government to service the community. The Board did however note some concerns about the future of the Canning care service, based in Willetton, which is cut off from Canning under the boundaries of this proposal.

Demographic trends

The Board can see no compelling points of difference in the demographic details of the localities affected by the proposed amalgamation. Demographic trends are not considered a major factor in assessing this proposed local government. The Board considers that the capacity of the local government to service the needs of the growing and changing community would be strong.

Economic factors

With a focus on the strategic activity centre of Cannington and secondary centre of Maddington, the impact of the proposed boundary change on economic factors is considered to be positive, reinforcing the capacity of the local government to service a socially and economically diverse community. The attention to economic development in the respective strategic plans, the City of Canning's Economic Development Strategy, and the facilities for small business, could be built upon to facilitate economic growth and investment across the broader area. The proposal is consistent with facilitating the objectives of the State Government's *Directions 2031 and Beyond* planning framework. There are strong economic linkages between Canning and Gosnells, and the Board considers the strength and commonality of economic factors a positive dimension to the proposed boundary change.

The history of the area

The proposed merger might be seen by some as contributing to a loss of local history, but that history will fundamentally remain. While local governments may change, their history will be preserved. It is acknowledged that reform can only be

achieved by change and it follows these changes merely create yet another chapter in local history. In the Board's view, there are no significant differences in the history of the areas to suggest that the proposed merger should not proceed. The history of particular communities and local governments would not be lost. The history of the area is not considered a major factor in assessing this proposal.

Transport and communication

The Board anticipates that the work commenced by the City of Canning on an Integrated Transport Strategy will provide a basis for better transport planning in the larger area. There is also an advantage in having a major part of Albany Highway located within one City. The boundary change is considered to offer transport benefits to residents and businesses of the area and offers the potential for improved access to services by the community.

Matters affecting the viability of local governments

According to the WATC analysis, the proposed boundary change had a positive impact for the Canning area without significantly impacting on the Gosnells area, by reducing the significant FSS differential between the two local governments. Given the financial strength of the proposed local government, and the potential to address sustainability issues and rationalise some duplicated infrastructure assets, the boundary change is considered by the Board to be a positive outcome on this criterion.

The effective delivery of local government services

The Board considers that the effective delivery of local government services would generally be maintained and potentially enhanced by the proposed local government, which would have the capacity and resources to deliver services at least to a comparable standard to those currently provided. However, the proposal results in the Canning Care Services Building being located in the City of Melville, and this creates issues around the ongoing provision of HACC and other social services in the Canning area.

The local government would be relatively compact in terms of its size and the geographical spread of the population. The capacity of the local government to service the community would be strong. The proposal is consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community. Major projects identified in community plans could proceed, while capacity to undertake some projects such as the Maddington Kenwick Strategic Employment Area would be enhanced.

Review

The Canning and Gosnells proposals are similar, in that both proposals cover exactly the same territory but with the main difference being in the proposed method of change. The Minister's proposal covers similar territory (albeit transferring west Canning to Melville), but differs to the Canning proposal in that it proposes a boundary adjustment to the City of Gosnells rather than an amalgamation between the two local governments.

A key difference is in respect of the areas sought by the City of Melville, which is not supported by the Cities of Canning and Gosnells. Similarly, the Cities of Canning and Gosnells do not support transferring part of Welshpool to Belmont / Kalamunda, as sought by those councils and the Minister's Proposal 05/2013.

The inclusion of part of Bentley, St James, Welshpool and Wilson in the proposed South Perth / Victoria Park was supported by South Perth / Victoria Park, as well as the Minister. The City of Canning also supported this change, even though this constituted a loss of territory, but only in the event that South Perth / Victoria Park did not retain all of the Burswood Peninsular.

There are some community of interest links between Canning and Gosnells, but there is also a tendency for northern parts of the affected area to have some links with Victoria Park, southern parts to have some links to Armadale, and western parts to have some links with Melville.

Given the vision in the City of Canning for *connecting and supporting people; a connected and inclusive community*, and in the City of Gosnells for *a vibrant City with a strong community identity and harmonious community,* the Board believes there is a basis for a compatible merger.

Given the respective council and community visions for inclusive community and harmonious community, there is a basis for a compatible merger. The Canning River is a common focus, and the areas are also linked by the Albany Highway and Armadale railway. The proposals have the potential to generate positive outcomes. The community will benefit from an increased range of services The financial sustainability scores were universally high for all proposals, eliminating the FSS disparities between the existing local governments, and the enlarged local government would be among the strongest local governments in the metropolitan area. There is a common focus on small business and the conomic development strategy will facilitate economic growth and investment across the broader area. A single local government would be better placed to lobby for increased funding from

State and Federal Government, and this will be critical given the significant population growth expected in the area, and the significant requirements for infrastructure including transport. A single planning authority would bring more balanced and consistent planning and development to the area.

The Board made minor amendments to Proposal 18 which it considered as a compromise between retention of the existing boundary and the Nicholson Road/High Road boundary proposed by Melville, and the Willeri Drive boundary proposed by the Minister. These modifications include:

- Transfer of areas generally west of Vahland Avenue being Rossmoyne and part of Leeming, Riverton, Shelley and Willetton to the City of Melville as per modified Proposal 10.
- Transfer of Welshpool (north of Orrong Road) to the merger of the City of Belmont and Shire of Kalamunda as per Proposal 8.

Conclusion and recommendations

Based on the feedback received during the third consultation period (23 July – 14 August) on the Board's intended recommendations for the Cockburn Community Steering Committee's Proposal E1 and the City of Melville's Proposal 10 (as amended by the Board) and in light of further analysis, the Board has resolved to further amend the boundaries of these two proposals. The Board's amendments were deemed significant and a further public submission period (30 August – 15 September) was undertaken at the time this report was being finalised. Consequently, the Board is unable to make a recommendation on boundaries for the Cities of Canning and Gosnells. The Board will provide an addendum to this report detailing its recommendation to the Minister for Local Government for the Cities of Canning and Gosnells boundary by late September 2014.

6.8 Inquiries into proposals affecting the City of Cockburn, Town of East Fremantle, and Cities of Fremantle, Kwinana and Melville

Overview of relevant proposals

This section presents the findings of the Board's Inquiries into proposals affecting the Cities of Cockburn, Fremantle, Kwinana and Melville and the Town of East Fremantle.

Primary:

08/2013 Minister's Proposal: Boundary change to the City of Melville to incorporate areas from Canning; Coolbellup, Leeming, North Lake, Bibra Lake from Cockburn; Samson and O'Connor (part) from Fremantle; Bicton and Palmyra transferred to Fremantle.

09/2013 Minister's Proposal: Boundary adjustment for the City of Fremantle to absorb the Town of East Fremantle and incorporating Rottnest Island and the suburbs of Coogee, Hamilton Hill, North Coogee (part), Spearwood and Munster (part) from Cockburn. O'Connor (part) and Samson transferred to Melville and Bicton and Palmyra transferred to Fremantle**.**

9. City of Melville (1): Boundary adjustment to incorporate the Town of East Fremantle and City of Fremantle (excluding North Fremantle); Leeming, North Coogee (part), Jandakot airport from Cockburn; Leeming, Rossmoyne, Riverton, Shelley, Willetton, from Canning.

10. City of Melville (2): Boundary adjustment to incorporate Coolbellup, Leeming, North Lake, Bibra Lake and Jandakot airport from Cockburn; Leeming, Rossmoyne, Riverton, Shelley, Willetton, Parkwood, Canning Vale Industrial area from Canning; Samson and O'Connor (part) from Fremantle; Bicton and Palmyra transferred to Fremantle.

10/2013 Minister's Proposal Cities of Cockburn and Kwinana: Boundary adjustment to the City of Kwinana's northern boundary to Roe Highway/Kwinana-Kewdale Railway to absorb the majority of the current City of Cockburn.

12. City of Fremantle: Amalgamation of Fremantle and East Fremantle with boundary changes to incorporate Rottnest Island and Hamilton Hill from Cockburn

and Bicton and Palmyra from Melville; Samson and O'Connor (part) transferred to Melville.

19. City of Kwinana: Boundary adjustment to incorporate the majority of the Western Trade Coast Industrial Precinct and the localities of Success, Atwell, Banjup (southern), Aubin Grove, Hammond Park, Wattleup, Munster and Beeliar from the City of Cockburn.

20. City of Cockburn: Amalgamation of the City of Cockburn and the City of Kwinana.

E1 Cockburn Community Steering Committee proposal: Amalgamation of the City of Cockburn with the City of Kwinana.

Secondary:

7. City of Canning proposal: Amalgamation of the City of Canning and City of Gosnells, but ceding parts of Canning to an amalgamated South Perth / Victoria Park and Leeming to the City of Melville. (For recommendation see Section 6.7)

18. City of Gosnells proposal: Boundary adjustment with the City of Canning, but ceding parts of Canning to an amalgamated South Perth / Victoria Park and Leeming to the City of Melville. (For recommendation see Section 6.7)

21. Shire of Serpentine Jarrahdale: Proposal to extend its boundaries by addition of the eastern parts of the City of Kwinana and the City of Rockingham. (For recommendation see Section 6.9)

24. Town of Mosman Park: Proposal for boundary change with western suburbs councils including annexation of North Fremantle from the City of Fremantle. (For recommendation see Section 6.10)

Table 111 - Proposals to Local Government Advisory Board affecting the Cities of Cockburn, Fremantle, Kwinana and Melville and Town of East Fremantle

Proposal number	Proposal name	Population estimate	Revenue estimate
9	City of Melville (1)	148,000	Not stated
10	City of Melville (2)	145,000	Not stated
12	City of Fremantle	54,000	$170m
19	City of Kwinana	83,000	$170m

Proposal number	Proposal name	Population estimate	Revenue estimate
20	City of Cockburn	90,700	$85m
08/2013	Minister for Local Government – City of Melville	162,000	$137m
09/2013	Minister for Local Government – City of Fremantle and Town of East Fremantle	73,300	$105m
10/2013	Minister for Local Government – Cities of Cockburn and Kwinana	80,000	Not stated
E1	Cockburn Community Steering Committee elector proposal	90,700	$85m

9. City of Melville (1)

The City of Melville has proposed a sequential boundary adjustment over two phases. Phase one incorporates a boundary adjustment to incorporate the entire Town of East Fremantle, the complete suburbs of Rossmoyne, Shelley, Willetton and Riverton from the City of Canning; parts of Leeming not currently in Melville from Canning and Cockburn, 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).

Phase two includes incorporating the following areas into the City of Melville by way of further boundary changes: the whole of City of Fremantle excluding North Fremantle and the inclusion of a small area of the City of Cockburn (North Coogee (part), such that the boundary between Cockburn and Fremantle follows the Rollinson Road alignment.

The City believes the combined local government will provide the scale and capability necessary to oversight the development of the Murdoch Activity Centre; streamlined management over the Swan and Canning Rivers; coordinated planning for significant transport and freight corridors and future infrastructure requirements; and the addition of industrial areas from Canning and Cockburn improves the local government's financial viability into the longer term.

10. City of Melville (2)

The City of Melville seek consideration of proposal 10 should the Board accept the City of Fremantle's proposal for an enlarged City of Fremantle (proposal 12) arguing amendments to its boundaries are necessary to preserve its future financial viability. The proposal cedes the suburbs of Bicton and Palmyra west of Stock Road to the City of Fremantle and adds the complete suburbs of Leeming, Rossmoyne, Riverton, Shelley, Willetton, Parkwood, the Canning Vale Industrial area in Canning and the suburbs of Coolbellup, North Lake, Bibra Lake and Jandakot airport from Cockburn. In addition the alignment of Fremantle's south-eastern boundary to Stock Road would see the suburbs of Samson and O'Connor (part) east of Stock Road transferred to an enlarged City of Melville. Melville would considerably increase its rateable industrial area incorporating Canning Vale, Jandakot Airport and O'Connor. The City identifies similar benefits consistent with proposal 9; with the addition of retaining an expanded City of Fremantle.

12. City of Fremantle

The City of Fremantle proposes the abolition of the City of Fremantle and the Town of East Fremantle to create a new local government with other changes to boundaries, including incorporating Rottnest Island and the localities of Hamilton Hill and North Coogee from Cockburn. A boundary adjustment with Melville would see Samson and O'Connor (part) transferred to Melville and Bicton and Palmyra gained by Fremantle.

The City's proposal detailed benefits and similarities with the Town of East Fremantle that would complement and add to both communities. The City argues as an enlarged local government it would better reflect the community of users of regional facilities and services provided by the local government including the library, leisure centre, arts centre and community legal and social services.

19. City of Kwinana

Proposal 19 includes a boundary change to extend the City of Kwinana's northern boundary to Beeliar Drive/Armadale Road, incorporating the majority of the Western Trade Coast Industrial Precinct (WTC) and the localities of Success, Atwell, Banjup (part), Aubin Grove, Hammond Park, Wattleup, Munster (part) and Beeliar from the City of Cockburn.

The City states that this proposal recognises a diverse and growing rate base and with consolidation of the WTC precinct under one jurisdiction, presents opportunities to streamline oversight of the area to facilitate future growth.

20. City of Cockburn

The City of Cockburn's proposal is an amalgamation of the City of Kwinana and City of Cockburn based on existing boundaries (other than the excising of Rottnest Island to the City of Fremantle). The City's proposal states that an enlarged local government with jurisdiction over strategic sites currently located in respective local governments will simplify development of major infrastructure projects including Latitude 32, the new container port, Rowley Road, urban development along Kwinana Freeway and coastline management. The City believes that the proposed local government will have an equitable rating spread and could maximise opportunities for future revenue growth through consolidation and optimal business processes. The expanded local government would comprise one third industrial, partial rural areas, strong future residential growth and port areas. The merged local government would have a population of almost 138,000 and this is projected to increase to 186,000 by 2026.

E1. Cockburn Electors

The Cockburn Electors' proposal is for an amalgamation of Cockburn and Kwinana, effectively the same as proposal 20, with minor boundary amendments that would transfer an area of Leeming from the City of Cockburn to the City of Melville to address the Leeming anomaly. The proposal also cedes a small part of North Coogee (north of Rollinson Road) to the City of Fremantle to even off the northern boundary.

08/2013 Minister's proposal – Melville

The Minister's proposal is for a boundary adjustment whereby the City of Melville cedes the suburbs of Bicton and Palmyra west of Stock Road to a City of Fremantle but is otherwise enlarged. The localities of Leeming, Rossmoyne, Shelley, Willetton, and Riverton (part) in the City of Canning and the localities of Coolbellup, Leeming, North Lake, and Bibra Lake from the City of Cockburn would be added to Melville. In addition, a change is proposed in Fremantle's south-eastern boundary to align it with Stock Road, which would see the localities of Samson and O'Connor (part) to the east of Stock Road transferred to the City of Melville.

09/2013 Minister's proposal – Fremantle/ East Fremantle

The Minister proposes a boundary change to the City of Fremantle by absorption of the Town of East Fremantle and incorporating Rottnest Island and the suburbs of Coogee, Hamilton Hill, North Coogee (part), Spearwood and Munster (part) from Cockburn. By adopting Stock Road as the boundary, the proposal cedes Samson

and O'Connor (part) to Melville and transfers Bicton and Palmyra from Melville to Fremantle.

The proposal notes the potential to reduce administrative duplication and generate future growth revenue and services for communities under one jurisdiction. An enlarged local government would also contain both the Strategic Activity Centre of Fremantle and the Fremantle Port, presenting the opportunity to integrate significant transport routes critical to servicing the wider metropolitan population.

10/2013 Minister's proposal – Cockburn/Kwinana

The Minister proposes a boundary adjustment to the City of Kwinana which would extend the City of Kwinana's northern boundary to Roe Highway/the Kwinana-Kewdale Railway. This boundary would encompass the majority of the current City of Cockburn within the City of Kwinana. The proposal recognises an opportunity for one local government to manage and plan for the industrial areas, compatible with emerging green field development ensuring a consistent governance environment for industry, community and the environment.

Common elements and points of difference of the proposals

The Minister's proposals for Fremantle, Melville and Kwinana have similarities with the proposals submitted by the local governments (excluding proposal 9). The Minister's proposals each identify boundary change as the implementation mechanism and include incorporating considerable parts of Cockburn and Canning.

The City of Cockburn (proposal 20) and the Cockburn Elector proposal (E1) are effectively the same regarding an amalgamation of Cockburn and Kwinana. E1 identifies anomalies related to the northern boundary around the suburbs of North Coogee and Leeming and seeks to address these; proposal 20 recognises that there are boundary anomalies and suggests that the amalgamated local government address these into the future.

The Government's expressed preference to deliver equally sized local governments into the future of approximately 100,000 residents (from 2015). [97]

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97 http://www.mediastatements.wa.gov.au/Pages/StatementDetails.aspx?StatId=7607&listName=StatementsBarnett 30 July 2013

Table 112 - Vital statistics for the Cities of Cockburn, Fremantle, Kwinana and Melville and Town of East Fremantle

Vital statistics	Cockburn	East Fremantle	Fremantle	Kwinana	Melville
Area (land) (sq km)	167.9	3.1	19.0	120.0	52.8
Population (2013)	103,351	7,736	30,321	34,413	106,335
Average annual growth 2007/2012	21.5%	6.8%	10.9%	31.1%	6.5%
Population density (per km^2)	615.4	2464.8	1595.0	286.7	2013.2
Dwellings	34,800	3,083	13,460	11,486	40,086
Value of building activity*	$415.2M	$56.6M	$68.5M	$177.9M	$169.8M
Length of sealed roads (km)	797	46	177	377	530
No. of FTE Employees	761	38	279	224	728
Residents per employee	135.8	203.5	108.6	153.6	146
Total rate revenue ($)*	$57,916,814	$6,031,000	$36,109,025	$28,208,725	$56,113,024
Total operating revenue*	$122,700,826	$8,325,900	$67,368,825	$63,286,169	$136,828,221
Total operating expenditure	$109,554,318	$11,296,000	$69,032,591	$55,171,551	$92,937,610
Total rate revenue per capita	$560	$779	$1,190	$819	$527
Operating revenue per capita	$1,187	$1,076	$2,221	$1,839	$1,286
Operating expenditure per capita	$1,060	$1,460	$2,276	$1,603	$874
Average residential rate per assessment 2012/13*($)	$809	$1,518	$1,398	$1,019	$1,000

Source: various, including ABS and information returns to WA Local Government Grants Commission and 13-14 Budgets *Based on 2013-14 ABS Buildings Approval Database. ** includes waste and security levy.

Local government history and boundary changes

The original inhabitants of the area were the Noongar Aboriginal people. The Municipality of Fremantle and the Fremantle Roads District were among the original local governments formed in the metropolitan region in 1871. The Municipality of East Fremantle was formed in 1897, and Fremantle became the City of Fremantle in 1929. Territory from the Fremantle Roads District was ceded to form the Rockingham and Melville Road districts in 1897 and 1900. More recent changes have been the amalgamation of the Municipality of North Fremantle with Fremantle in 1961 and the formation by legislation of the Kwinana Roads District to support the newly proclaimed Kwinana Industrial Area in 1954.[98] The Fremantle Roads District adopted the name Cockburn in 1955.

Proposals previously considered by the Local Government Advisory Board

The Board has not considered any previous proposals for boundary adjustment of the affected local governments.

Regional cooperation and resource sharing

Cockburn, East Fremantle, Fremantle, Kwinana and Melville, together with Rockingham are members of the South West Group (for economic development), South metropolitan zone of WALGA, the Metropolitan Regional Road Group and the South West Technical Sub-Group. Cockburn, Kwinana and Rockingham also co-operate through the Cockburn Sound Management Council. Cockburn, Fremantle and Melville are also participating in the South West Metropolitan Partnership Forum (SWMPF) with State agencies and NGO groups and organisations for improving community support. Cockburn, East Fremantle, Fremantle, Kwinana and Melville are the members of the Southern Metropolitan Regional Council (SMRC). The Cities of Canning and Rockingham were formerly members of the regional council, but have withdrawn in recent years. Household and business waste from the areas of Cockburn, East Fremantle, Fremantle and Melville is processed at a regional resource recovery centre facility in Canning Vale. The Local Emergency Management Committees (together with Rockingham) come together as the South Metropolitan Emergency Management District.

Demographic Characteristics

Population growth in the south west metropolitan area is expected at a higher rate than for metropolitan Perth as a whole, although this varies significantly among the

[98] *Kwinana Roads District Act of 1953*

local governments, with significant growth expected in Kwinana and Rockingham with only slight growth in Melville (Table 3).

The Board considered detailed demographic information in respect of the proposals, drawing on the analysis it commissioned.[99] Fremantle has an older population, smaller households and lower incomes. The relative affluence of East Fremantle and Melville is reflected in the higher percentage of high income earners, people with university qualifications and in management and professional occupations, and owner occupied dwellings. The population of the area is markedly older than for Perth as a whole, with fewer children and more seniors across all sub-areas. The City of Cockburn's population demographics are broadly similar to metropolitan Perth as a whole, including in income and housing characteristics. Points of difference include fewer seniors, fewer university qualifications and fewer professionals. Like Cockburn, the population in Kwinana is younger than Perth as a whole, with fewer seniors, more single parent families, more unemployed and indigenous persons and lower household incomes.

Housing affordability is greater in Kwinana, reflected in the demographic characteristics within the current local government, in particular the median age which, along with Cockburn is noticeably lower at 32 and 34 respectively than the other affected local governments. There are more trade and technician workers in Cockburn and Kwinana and fewer managers and professionals. Conversely in the local governments of East Fremantle, Fremantle and Melville the median age is from 40 to 42 and there are fewer labourers and more managers and professionals. The age variables are relatively similar across most age indicators, however the 65+ age group is larger in East Fremantle, Fremantle, and Melville than Cockburn and Kwinana. Half of Canning's residents are not Australian born, reflective of the diversity of the district.

[99] Metropolitan Local Government Reform Demographic Analysis, Geografia 2014

Table 113 - Local government populations 2006 to 2026

Local Government	Estimated Population*	Projected Population*						
	2006	2011	2016	% Growth from 2011	2021	% Growth from 2011	2026	% Growth from 2011
Canning	81,700	96,200	104,200	21%	109,500	12%	115,200	16.5%
Cockburn	78,478	95,036	107,300	12.9%	118,800	25.0%	131,000	37.8%
East Fremantle	7,132	7,443	8,000	7.5%	8,300	11.5%	8,600	15.5%
Fremantle	26,341	28,651	30,600	6.8%	32,100	12.0%	33,700	17.6%
Kwinana	24,186	30,697	38,300	24.8%	45,000	46.6%	51,900	69.1%
Melville	97,582	102,135	103,300	1.1%	104,000	1.8%	104,500	2.3%
Rockingham	87,756	109,415	130,800	19.5%	151,300	38.3%	172,900	58.0%
SW Metro	323,481	375,388	420,316	12.0%	461,521	22.9%	504,626	34.4%
Metro Perth	1,522,500	1,752,500	1,939,500	10.7%	2,105,700	20.2%	2,276,900	29.9%

*Source: Western Australian Planning Commission (2012) WA Tomorrow (Band C projections)
http://www.planning.wa.gov.au/dop_pub_pdf/PlanningSummary.pdf

In the greater south-west metropolitan region the largest sectors of employment are services, health care and social assistance (12%), education and training (10%) and retail (9.58%) accounting for 31.5% of employment. The employment profiles of Cockburn and Kwinana residents are similar across blue collar industries of manufacturing and construction. Across East Fremantle, Fremantle and Melville, there were more residents employed in the professional, scientific and technical services, which also exceeded the metropolitan area generally.

Service population is not considered a major issue for most of these councils, although Fremantle is impacted upon by workers, day-trippers and other tourists. University and other students can be considered part of the service population, including the 22,000 students at Murdoch and less than half that number at the University of Notre Dame Australia. The Fiona Stanley Hospital will be a significant employment and educational focus into the future.

Community of interest

The Board has previously expressed the view that the external boundaries of a local government should reflect distinct communities of interest wherever possible. The following observations about communities of interest in the south west metropolitan region were noted by the Board.

Educational Facilities: There are nine government high schools as well as private colleges including Santa Maria (Attadale), Murdoch, Winthrop Baptist, and All Saints (Bull Creek). The local intake areas of the government high schools were noted. There are also significant post-school education facilities, including Murdoch University (student enrolments 22,600), the University of Notre Dame Australia (11,000 students) and Challenger Institute of Technology (23,000 students).

Table 114 – Part A - Localities affected by the south-west metropolitan proposals

Locality	Pop. (2011 Census)	City of Cockburn	City of Fremantle	City of Kwinana	City of Melville	Cockburn proposal	Fremantle proposal
Atwell	8,680	Yes	No	No	No	Yes	No
Aubin Grove	5,401	Yes	No	No	No	Yes	No
Banjup	Inc. in Aubin Grove	Yes	No	No	No	Yes	No
Beeliar	5,754	Yes	No	No	No	Yes	No
Bibra Lake	6,375	Yes	No	No	No	Yes	No
Cockburn Central	Inc. in South Lake	Yes	No	No	No	Yes	No
Coogee	5,144	Yes	No	No	No	Yes	No
Coolbellup	5,095	Yes	No	No	No	Yes	No
Hamilton Hill	10,098	Yes	No	No	No	Yes	Yes
Hammond Park	2,822	Yes	No	No	No	Yes	No
Henderson	Inc. in Hammond Park	Yes	No	No	No	Yes	No
Jandakot	2,841	Yes	No	No	No	Yes	No
Leeming (part)	2,182	Yes	No	No	No	Yes	No
Munster	3,903	Yes	No	No	No	Yes	No
North Coogee	Inc. in Coogee	Yes	No	No	No	Yes	Yes
North Lake	1,283	Yes	No	No	No	Yes	No
South Lake	6,479	Yes	No	No	No	Yes	No
Spearwood	9,638	Yes	No	No	No	Yes	No
Success	8,507	Yes	No	No	No	Yes	No

Locality	Pop. (2011 Census)	City of Cockburn	City of Fremantle	City of Kwinana	City of Melville	Cockburn proposal	Fremantle proposal
Wattleup	Inc. in Hammond Park	Yes	No	No	No	Yes	No
Yangebup	7,043	Yes	No	No	No	Yes	No
East Fremantle	7,600	No	No	No	No	No	Yes
Beaconsfield	4,762	No	Yes	No	No	No	Yes
Fremantle	8,614	No	Yes	No	No	No	Yes
Hilton	3,965	No	Yes	No	No	No	Yes
North Fremantle	2,986	No	Yes	No	No	No	Yes
O'Connor	Inc in. Hilton	No	Yes	No	No	No	Part
Samson	2,288	No	Yes	No	No	No	No
South Fremantle	3,224	No	Yes	No	No	No	Yes
White Gum Valley	2,842	No	Yes	No	No	No	Yes
Anketell	1,804	No	No	Yes	No	Yes	No
Bertram	4,963	No	No	Yes	No	Yes	No
Calista	3,964	No	No	Yes	No	Yes	No
Casuarina	Inc. in Anketell	No	No	Yes	No	Yes	No
Hope Valley	Inc. in Anketell	No	No	Yes	No	Yes	No
Kwinana	Inc. in Anketell	No	No	Yes	No	Yes	No
Kwinana Beach	Inc. in Anketell	No	No	Yes	No	Yes	No
Leda	3,295	No	No	Yes	No	Yes	No
Mandogalup	Inc. in Anketell	No	No	Yes	No	Yes	No

Locality	Pop. (2011 Census)	City of Cockburn	City of Fremantle	City of Kwinana	City of Melville	Cockburn proposal	Fremantle proposal
Medina	Inc. in Calista	No	No	Yes	No	Yes	No
Naval Base	Inc. in Anketell	No	No	Yes	No	Yes	No
Orelia	4,611	No	No	Yes	No	Yes	No
Parmelia	6,079	No	No	Yes	No	Yes	No
Postans	Inc. in Anketell	No	No	Yes	No	Yes	No
The Spectacles	Inc. in Anketell	No	No	Yes	No	Yes	No
Wandi	805	No	No	Yes	No	Yes	No
Wellard	3032	No	No	Yes	No	Yes	No
Alfred Cove	4,102	No	No	No	Yes	No	No
Applecross	6,825	No	No	No	Yes	No	No
Ardross	3,759	No	No	No	Yes	No	No
Attadale	6,297	No	No	No	Yes	No	No
Bateman	3,658	No	No	No	Yes	No	No
Bicton	5,808	No	No	No	Yes	No	Yes
Booragoon	5,250	No	No	No	Yes	No	No
Brentwood	1,876	No	No	No	Yes	No	No
Bull Creek	7,383	No	No	No	Yes	No	No
Kardinya	8,618	No	No	No	Yes	No	No
Leeming	8,222	No	No	No	Yes	No	No
Melville	5,132	No	No	No	Yes	No	No

Locality	Pop. (2011 Census)	City of Cockburn	City of Fremantle	City of Kwinana	City of Melville	Cockburn proposal	Fremantle proposal
Myaree	Inc. in Alfred Cove	No	No	No	Yes	No	No
Mount Pleasant	6,191	No	No	No	Yes	No	No
Murdoch	3,609	No	No	No	Yes	No	No
Palmyra	6,394	No	No	No	Yes	No	Yes
Willagee	4,671	No	No	No	Yes	No	No
Winthrop	6,108	No	No	No	Yes	No	No

Note: Areas of the City of Canning also included in Melville 1 (Rossmoyne, Shelley, Willetton, Riverton) and 2 proposals (Rossmoyne, Shelley, Willetton, Riverton, Parkwood, part Canning Vale)

Table 114 – Part B - Localities affected by the south-west metropolitan proposals

Locality	Pop. (2011 Census)	Kwinana proposal	Melville proposal 1	Melville proposal 2	Minister's Proposal 08/2013	Minister's Proposal 09/2013	Minister's Proposal 10/2013
Atwell	8,680	Yes	No	No	No	No	Yes
Aubin Grove	5,401	Yes	No	No	No	No	Yes
Banjup	Inc. in Aubin Grove	Part	No	No	No	No	Yes
Beeliar	5,754	Yes	No	No	No	No	Yes
Bibra Lake	6,375	No	No	Yes	Yes	No	No
Cockburn Central	Inc. in South Lake	No	No	No	No	No	Yes
Coogee	5,144	No	No	Yes	Yes	No	No
Coolbellup	5,095	No	No	No	No	No	No

Locality	Pop. (2011 Census)	Kwinana proposal	Melville proposal 1	Melville proposal 2	Minister's Proposal 08/2013	Minister's Proposal 09/2013	Minister's Proposal 10/2013
Hamilton Hill	10,098	No	No	No	No	No	No
Hammond Park	2,822	Yes	No	No	No	No	Yes
Henderson	Inc. in Hammond Park	Yes	No	No	No	No	Yes
Jandakot	2,841	No	Part	Yes	No	No	Yes
Leeming (part)	2,182	No	Yes	Yes	No	No	No
Munster	3,903	Yes	No	No	No	No	No
North Coogee	Inc. in Coogee	No	Part	No	No	No	No
North Lake	1,283	No	No	Yes	Yes	No	No
South Lake	6,479	No	No	Yes	No	No	Yes
Spearwood	9,638	No	No	No	No	No	No
Success	8,507	Yes	No	No	No	No	Yes
Wattleup	Inc. in Hammond Park	Yes	No	No	No	No	Yes
Yangebup	7,043	No	No	No	No	No	No
East Fremantle	7,600	No	No	No	No	Yes	No
Beaconsfield	4,762	No	Yes	No	No	Yes	No
Fremantle	8,614	No	Yes	No	No	Yes	No
Hilton	3,965	No	Yes	No	No	Yes	No
North Fremantle	2,986	No	Yes	No	No	Yes	No
O'Connor	Inc in. Hilton	No	Yes	Part	No	Part	No

Locality	Pop. (2011 Census)	Kwinana proposal	Melville proposal 1	Melville proposal 2	Minister's Proposal 08/2013	Minister's Proposal 09/2013	Minister's Proposal 10/2013
Samson	2,288	No	Yes	Yes	No	No	No
South Fremantle	3,224	No	Yes	No	No	Yes	No
White Gum Valley	2,842	No	Yes	No	No	Yes	No
Anketell	1,804	Yes	No	No	No	No	Yes
Bertram	4,963	Yes	No	No	No	No	Yes
Calista	3,964	Yes	No	No	No	No	Yes
Casuarina	Inc. in Anketell	Yes	No	No	No	No	Yes
Hope Valley	Inc. in Anketell	Yes	No	No	No	No	Yes
Kwinana	Inc. in Anketell	Yes	No	No	No	No	Yes
Kwinana Beach	Inc. in Anketell	Yes	No	No	No	No	Yes
Leda	3,295	Yes	No	No	No	No	Yes
Mandogalup	Inc. in Anketell	Yes	No	No	No	No	Yes
Medina	Inc. in Calista	Yes	No	No	No	No	Yes
Naval Base	Inc. in Anketell	Yes	No	No	No	No	Yes
Orelia	4,611	Yes	No	No	No	No	Yes
Parmelia	6,079	Yes	No	No	No	No	Yes
Postans	Inc. in Anketell	Yes	No	No	No	No	Yes
The Spectacles	Inc. in Anketell	Yes	No	No	No	No	Yes
Wandi	805	Yes	No	No	No	No	Yes
Wellard	3032	Yes	No	No	No	No	Yes

Locality	Pop. (2011 Census)	Kwinana proposal	Melville proposal 1	Melville proposal 2	Minister's Proposal 08/2013	Minister's Proposal 09/2013	Minister's Proposal 10/2013
Alfred Cove	4,102	No	Yes	Yes	Yes	No	No
Applecross	6,825	No	Yes	Yes	Yes	No	No
Ardross	3,759	No	Yes	Yes	Yes	No	No
Attadale	6,297	No	Yes	Yes	Yes	No	No
Bateman	3,658	No	Yes	Yes	Yes	No	No
Bicton	5,808	No	Yes	No	No	Yes	No
Booragoon	5,250	No	Yes	Yes	Yes	No	No
Brentwood	1,876	No	Yes	Yes	Yes	No	No
Bull Creek	7,383	No	Yes	Yes	Yes	No	No
Kardinya	8,618	No	Yes	Yes	Yes	No	No
Leeming	8,222	No	Yes	Yes	Yes	No	No
Melville	5,132	No	Yes	Yes	Yes	No	No
Myaree	Inc. in Alfred Cove	No	Yes	Yes	Yes	No	No
Mount Pleasant	6,191	No	Yes	Yes	Yes	No	No
Murdoch	3,609	No	Yes	Yes	Yes	No	No
Palmyra	6,394	No	Yes	No	No	Yes	No
Willagee	4,671	No	Yes	Yes	Yes	No	No
Winthrop	6,108	No	Yes	Yes	Yes	No	No

Note: Areas of the City of Canning also included in Melville 1 (Rossmoyne, Shelley, Willetton, Riverton) and 2 proposals (Rossmoyne, Shelley, Willetton, Riverton, Parkwood, part Canning Vale)

Journey to Work: According to the 2011 Census, there were 172,000 workers residing in the south-west metropolitan area. There were 124,000 workers employed in the south-west metropolitan area. This yields a potential self-containment rate (71.39%), but this varied significantly between the areas, with high self-containment in the strategic metropolitan centre of Fremantle (154.3%). The journey to work movements of workers have been examined in detail, and the Board notes a strong tendency of workers to mainly find work, if not in their district of residence, in the adjacent local government districts of the region. Perth is also a major destination. Melville, Rockingham and Canning emerge as less significant destinations. More East Fremantle workers work in Fremantle (618) and Perth (535) than in East Fremantle.

Newspaper circulation: Suburban papers circulating in the area affected by the proposals include the Fremantle/Cockburn Gazette**,** Melville Times, Weekend/Kwinana Courier, Fremantle Herald, Melville City Herald and Cockburn City Herald. Cockburn shares the same community newspaper with Fremantle and East Fremantle (Fremantle/Cockburn Gazette) although they have separate editions of the Herald. Kwinana shares a community newspaper with Rockingham.

State Electoral Districts: The Board found less direct relationships between the State Electoral District boundaries and the local government boundaries in this region. The division between the Cockburn and Kwinana electorates uses the existing local government boundary. The district of Fremantle is somewhat similar to Fremantle's proposed local government area, by including the City of Fremantle, Town of East Fremantle and part of Cockburn and Melville. The City of Cockburn includes the electoral districts of Cockburn and Jandakot and parts of Fremantle and Willagee. The City of Kwinana includes the district of Kwinana. The City of Melville includes the districts of Alfred Cove, Bateman and Willagee and parts of Fremantle and Jandakot.

Commonwealth Electoral Divisions: The Commonwealth Electoral Division of Fremantle includes the Cities of Cockburn and Fremantle, the Town of East Fremantle and part of Melville. It follows the current Cockburn boundary for much of its length. The Brand Division includes the City of Kwinana as well as Rockingham and part of Mandurah. It follows the current Kwinana boundary on its northern and eastern margin. The Tangney Division includes a large portion of the City of Melville, that part of Canning that lies south of the Canning River, and part of the City of Gosnells.

Public transport: This area has bus and rail access to the Perth and Fremantle CBDs, which is a major employment destination for residents; east-west connectivity

is also a key focus providing access to significant regional destinations including Murdoch University, Booragoon Shopping Centre, and Cockburn Central. The Mandurah to Perth and Fremantle to Perth train lines service surrounding populations of the south-west metropolitan region. Murdoch train station is an important bus interchange for the university and hospital precincts (19 routes). The new Aubin Grove Train Station, located between Cockburn Central and Kwinana, stations is anticipated to open in 2016.

Community of interest: summary and comment

The manner in which electoral districts, high school catchments and significant transport corridors span local government boundaries and catchment areas is evidence that communities of interest are diverse and are not restricted by local government boundaries. The strategic activity nodes, including significant industrial, educational and health employment centres, are serviced by connecting transport options, facilitating the movement of residents, students and workers within and between local government boundaries.

There are strong community of interest links between Fremantle and East Fremantle (Proposals 09/2013 and 12). Points to note include:

- The City of Fremantle is the main activity centre for residents of both East Fremantle and Fremantle.
- Extending the boundary of the City would reflect the activity centre's catchment area.
- Many residents of both Fremantle and East Fremantle find employment in Fremantle.
- Access to public transport facilitates movement of residents.
- There are connections through cultural heritage and neighbourhood character.
- A strong focus on environment, art and culture is demonstrated in both areas.
- Both areas are in the same electorates for State and Federal elections.
- Demographic characteristics are similar, including median age, children per family, monthly mortgage repayments, proportion of professionals and managers.

Key areas of commonality across Cockburn and Kwinana (proposals 10/2013, 19 and 20) include:

- Significant population growth to 2050 expected in both areas;
- Demographic characteristics are similar, including lower median age reflective of housing affordability and younger families moving into the area.
- Similar employment profiles.
- Common focus on coastal industry strip.

In respect to the compatibility of communities, industries and services provided for residents within Melville and adjacent areas (Proposals 08/2013, 9 and 10) the following were noted:

- Booragoon is a significant secondary centre for retail services and the proposed expansion will enhance that role.
- The Murdoch Activity Centre is identified as a specialised activity centre, and as the location of hospitals, a university and an institute of technology, it presents the opportunity to develop a significant employment centre based around health, education and research.[100]
- Multiple public transport options provide east and west routes which connect key activity, employment and educational centres.
- Community of interest around the local amenity and passive and active recreation uses of the river foreshore.
- High school catchment areas extend across local government boundaries.

Economic considerations

The economic activity in the south-west metropolitan region comprises significant heavy industrial, commercial, professional services, education, health, retail and hospitality. As a designated strategic metropolitan centre in Directions 2031, the Fremantle activity centre provides a comprehensive range of economic and community services for the communities in its catchment. It is a focus point for passenger rail and bus networks (25 routes), and is the location for major stores, supermarkets and an extensive range of speciality shops as well as offices and Western Australian Government agencies. The City of Fremantle has an economic

[100] http://www.planning.wa.gov.au/656.asp#spec

development strategy 2011-15, which has identified targets to expand and attract office development within the CBD.

The City of Melville identifies the City's Local Economic Development strategy as an important informing document to stimulate the local economy. Other strategies to grow the local economy are identified in the Corporate Business Plan. As mentioned, Murdoch is being planned to develop as a specialised activity centre, with 35,000 employees, 20,000 residents and 40,000 students. Garden City shopping centre in Booragoon is poised to become WA's largest shopping centre precinct doubling in size to 120,000sqm. It will integrate high density residential, commercial and linked to enhanced public transport.[101] Canning Bridge precinct development proposes increased residential and commercial density. The proposal identifies buildings of up to 20 storeys. The development will target an additional 3000 workers by 2031 and 7000 by 2050.[102]

A key action of the City of Cockburn's Corporate Business Plan 2013-2017 is the implementation of an Economic Development Strategy in 2013-14 and the establishment of an economic development office to promote and develop the City's economy and status as an important secondary centre. The City's plan identifies a number of major capital projects including Hamilton Hill Revitalisation; Cockburn Town Centre; Latitude 32 and Banjup Quarry Redevelopment. Cockburn Central is a 42-hectare development which once completed will service a regional population of around 200,000 living and working in the south-west corridor.

The City of Kwinana's Corporate Business Plan 2013-2017 identifies the development of an economic framework and detailed plan to identify and attract investment in key employment generating initiatives to stimulate local employment. The Kwinana industrial area provides significant economic benefit to both the State and also the local area; annual output valued at $15.7 billion per annum; direct sales of $8.51 billion; directly employs 4,800 (64% live locally); stimulates indirect employment of a further 26,000 people.

The local governments, with the exception of the Town of East Fremantle, have various forms of strategic economic development initiatives in place. As was reflected in the community visions of strategic community plans, Kwinana and Cockburn's main focus is developing and building their local economies for the future, noting the transformation that their communities and businesses are currently going through. This involves building the infrastructure and providing the service

[101] The West Australian 7 May 2014
[102] Business News 9 June 2014

amenities to attract investment and businesses. Fremantle is also going through a transformation, noting the recent stagnation of its economy as a result of other regional centres providing more attractive investment options, modern facilities and business opportunities. Fremantle's future focus is on regeneration of its CBD and to upgrade amenity and service provision to attract new business and services. While Melville has a relatively stable economy within its established suburbs there are significant developments on the horizon.

Public infrastructure

The Board noted that there is the potential for significant local government infrastructure to be impacted upon by the proposals for this region. Local government infrastructure in the region includes five local government offices, five depots, ten libraries (one in Fremantle, five in Melville, three in Cockburn, one in Kwinana), five Aquatic/Leisure Centres and many parks, gardens, playgrounds and foreshore reserves.

The area is extremely well served with public and private infrastructure. In general, changes in local government boundaries should not lessen the amenity or diminish the access to facilities and services enjoyed by residents of an area. The Board noted potential impacts of the proposals on facilities such as the Cockburn administration centre, depot, family services centre (Jean Willis Centre), and the SMRC Regional Resource Recovery Centre.

Environmental context

The environmental context of the south west area affected by reforms can be summarised as being part of the Swan coastal plain, with lakes, wetlands and river foreshore and coastal areas. Significant wetlands areas include Bibra Lake, Yangebup Lake, Lake Coogee, Thomsons Lake and The Spectacles. The majority of these are located in the current City of Cockburn. There are also a number of Bush Forever sites. The City of Cockburn has the largest number of sites including parts of Jandakot Regional Park and Beeliar Regional Park. The Department of Parks and Wildlife manages the Beeliar Regional Park in collaboration with the City of Melville, City of Cockburn, Town of Kwinana and Murdoch University. The Beeliar Wetlands have international and national significance. The entire Park has been placed on the Interim List of the Register of the National Estate, while Booragoon Lake (Melville), Thomsons Lake (Cockburn) and The Spectacles (Kwinana) are listed on the

Directory of Important Wetlands.[103] The Jandakot Water Mound is an important source of water for metropolitan Perth and requires careful management. It is located primarily in the City of Cockburn.

Local government

The local governments have made significant progress towards completing the statutory compliance requirements under the integrated planning and reporting framework. Excerpts from the respective strategic community plans show a common desire for a sustainable and accessible city with vibrancy and diversity. The local governments have approximately 1700 employees (FTE) in total, with duplication in many roles including Chief Executive Officers and other senior directors.

There is also considerable duplicated infrastructure with five administration buildings, five depots, multiple community halls, libraries, recreation facilities, as well as duplication of service delivery and administrative processes. The Fremantle and East Fremantle administrations are a mere 1.5 kilometres apart. This suggests scope for rationalisation of infrastructure and staffing while continuing to deliver services to the community. It is not expected that provision of services through facilities such as libraries would be affected, but administration and management could be streamlined.

Each local government has the required local planning strategies and town planning schemes to guide and control development in their respective areas. Directions 2031 has a target of 40,110 new dwellings to be built between 2011-2031 across the affected districts, with almost 50% targeted within the current City of Cockburn. Cockburn notes in its submission that Directions 2031's estimates for new dwellings in its district are conservative, whereas greater medium density housing could yield up to 30,000 new dwellings. Significant development is occurring around the Cockburn Central transit oriented development and Murdoch Activity Centre. The City of Melville is under the Metropolitan Central Joint Development Assessment panel. The local governments of Cockburn, East Fremantle, Fremantle and Kwinana are in the metropolitan South-West JDAP.

[103] http://www.bushlandperth.org.au/bushland-treasures/south-of-the-river/125-beeliar-regional-park- accessed 13 May 2014

Local government financial information

The current local governments have a mix of rate bases; East Fremantle and to a lesser extent Melville is primarily residential; Fremantle has a significant commercial sector, Cockburn and Kwinana have significant industrial sectors. GRV rates (cent in the dollar) on residential properties are currently lowest in Cockburn and highest in Kwinana. Following any merger or boundary change, the rates (or at least the rate in the $ applied to the valuation) might be expected to reduce in some areas or increase in others. There would be no effect on the total financial assistance grant entitlements, with the new entities receiving the total (or portion) of the current entitlements of the constituent local governments. Collectively these grants account for only around 3% of the local governments' current revenue. Asset management implications have been examined in detail as part of the Inquiry process. It is noted that the Cities of Fremantle, Cockburn and Melville value the majority of their assets at fair value. At the time of writing, the City of Kwinana and Town of East Fremantle were still valuing their assets at cost[104].

[104] Fair value and 'at cost' refer to how local governments record the value of their assets. Fair value is defined by the Australian Accounting Standard (*AASB13)* "as the price that would be received to sell an asset or paid to transfer the liability in an orderly transaction." In other words it is considered to be the best estimate of price reasonably obtainable in the market at the date of valuation. At cost is the original monetary value of an item – that is what was actually paid for the item when it was acquired. Local Governments now have to revalue their assets at fair value in accordance with the *Local Government (Financial Management) Regulation 17A*.

Table 115 - Local government financial data the Cities of Cockburn, Fremantle, Kwinana and Melville and the Town of East Fremantle

Financial data	Cockburn	East Fremantle	Fremantle	Kwinana	Melville
Total rate revenue ($)	57,916,814	6,031,000	36,109,025	28,208,725	56,113,024
Total operating revenue ($)	122,700,826	8,325,900	67,368,925	63,286,169	136,828,221
Total operating expenditure ($)	109,554,318	11,296,000	69,032,591	55,171,551	92,937,610
Total rate revenue per capita ($)	560	779	1,190	819	527
Total operating revenue per capita ($)	1,187	1,076	2,221	1,839	1,286
Total operating expenditure per capita ($)	1,060	1,460	2,276	1,603	874
Rates as % of operating revenue	47%	72%	53%	44%	41%

Source: Various, including ABS (including 2013-14 Buildings Approval Database) and information returns to WA Local Government Grants Commission and 2013-14 local government budgets.

Table 116 - Rate in dollar GRV (2013/14 budget)

Rate in the dollar GRV	Cockburn	East Fremantle	Fremantle	Kwinana	Melville
Total rate income (2012/13)	$54,746,085	$5,715,246	$34,064,488	$25,773,314	$52,526,896
GRV Residential	0.048590	0.067561	0.070180	0.078727	0.050960
GRV Commercial	0.081867	0.097752	0.070180	0.089461	0.059650
GRV Industrial	0.078385	N/A	0.070180	0.078256	N/A
GRV Vacant Residential	0.096700	N/A	0.132760	0.186558	N/A
GRV Residential minimum	$627	$795	$1,050	$841	$658

Source: Western Australian Local Government Grants Commission

With the assistance of the affected local governments information has been compiled for the Board in respect of the areas affected by these proposals (Tables 117-119).

Table 117 - Key financial information for the Minister's Proposal 08/2013 – City of Melville

Minister Proposal 08/2013 - Melville	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Melville	$102,771,518	$101,298,066	$52,526,896	$29,050,922	$2,140,148
Add: Fremantle - Samson and O'Connor	$2,917,955	$2,917,955	$2,737,865	$50,687	$0
Add: Canning - Rossmoyne, Shelley, Willetton, Canning Vale, Leeming and Riverton	22,590,764	$27,388,336	$9,597,666	$10,103,843	$358,710
Cockburn	19,204,226	$18,862,914	$11,774,550	$4,369,969	$0
Less: Melville - Bicton and Palmyra	$11,882,745	$13,115,270	$6,800,766	$3,183,509	$530,291
TOTAL	$135,601,717	$137,352,001	$69,836,211	$40,391,912	$1,968,567

Table 118 - Key financial information for the City of Melville's Proposal 9

Proposal 9 - Melville (1)	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Melville	$102,771,518	$101,298,066	$52,526,896	$29,050,922	$2,140,148
East Fremantle	$8,429,476	$7,823,793	$5,715,246	$1,302,281	$78,151
Fremantle	$66,939,772	$69,050,158	$34,064,488	$26,100,309	$412,560
Add: Cockburn - North Coogee	$933,390	$787,766	$589,341	$246,733	$0
Add: Cockburn - Jandakot Airport	$3,151,753	$2,373,817	$2,503,203	$359,263	$0
Add: Canning - Rossmoyne, Shelley, Willetton, Canning Vale, Leeming and Riverton	$22,590,764	$27,388,336	$9,597,666	$10,103,843	$358,710
TOTAL	$204,816,673	$208,721,936	$104,996,840	$67,163,351	$2,989,569

Table 119 -Key financial information for the City of Melville's Proposal 10

Proposal 10 - Melville (2)	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Melville	$102,771,518	$101,298,066	$52,526,896	$29,050,922	$2,140,148
Add: Cockburn - Coolbellup, North Lake, Bibra Lake & Jandakot Airport	$21,028,695	$18,862,913	$13,587,559	$4,369,969	0
Add: Canning - Rossmoyne, Shelley, Willetton, Canning Vale, Leeming and Riverton	$22,590,764	$27,388,336	$9,597,666	$10,103,843	$358,710
Add: Canning - Canning Vale & Parkwood	$12,440,015	$9,839,715	$9,085,509	$1,397,457	$534,831
Add: Fremantle - Samson & O'Connor	$2,917,955	$2,917,955	$2,737,865	$50,687	0
Less: Melville - Bicton and Palmyra	$11,882,745	$13,115,270	$6,800,766	$3,183,509	$530,291
TOTAL	$149,866,201	$147,191,715	$80,734,728	$41,789,369	$2,503,399

Table 120 - Comparative summary of Melville proposals

City of Melville under	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Minister proposal 08/2013	135,601,717	137,352,001	69,836,211	40,391,912	1,968,567
Melville proposal (1) 9	204,816,673	208,721,936	104,996,840	67,163,351	2,989,569
Melville proposal (2) 10	149,866,201	147,191,715	80,734,728	41,789,369	2,503,399

Based on the above financial information Melville Proposal 9 would by far have the greatest operating revenue, expenses and rates income. The Minister's Proposal 08/2013 would have the least revenue, operating expenses and rates.

Table 121 - Key financial information for the Minister's Proposal 09/2013 - City of Fremantle and Town of East Fremantle

Minister Proposal 09/2013 - Fremantle/East Fremantle	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Fremantle	$66,939,772	$69,050,158	$34,064,488	$26,100,309	$412,560
East Fremantle	$8,429,476	$7,823,793	$5,715,246	$1,302,281	$78,151
Add: Melville - Bicton and Palmyra	$11,882,745	$13,115,270	$6,800,766	$3,183,509	$530,291
Add: Cockburn - Coogee, Hamilton Hill, North Coogee, Spearwood, Rottnest Island and Munster	$23,288,693	$31,381,410	$11,232,462	$6,692,085	$0
Less: Fremantle - Samson and O'Connor	$2,917,955	$2,917,955	$2,737,865	$50,687	$0
TOTAL	$107,622,731	$118,452,676	$55,075,097	$37,227,497	$1,021,002

Table 122 – Key financial information for the City of Fremantle's Proposal 12

Proposal 12 - City of Fremantle	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
East Fremantle	$8,429,476	$7,823,793	$5,715,246	$1,302,281	$78,151
Fremantle	$66,939,772	$69,050,158	$34,064,488	$26,100,309	$412,560
Add: Melville - Bicton and Palmyra	$11,882,745	$13,115,270	$6,800,766	$3,183,509	$530,291
Add: Cockburn - Hamilton Hill, North Coogee and Rottnest Island	$13,633,902	$12,441,748	$6,023,975	$3,942,276	0
Less: Fremantle - Samson and O'Connor	$2,917,955	$2,917,955	$2,737,865	$50,687	0
TOTAL	$97,967,940	$99,513,014	$49,866,610	$34,477,688	$1,021,002

With the assistance of the affected local governments information has been compiled for the Board in respect of the areas affected by these proposals (Tables 121-122).

Table 123 - Comparative summary of Fremantle and East Fremantle proposals

City of Fremantle/East Fremantle under	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Minister proposal 09/2013	$107,622,731	$118,452,676	$55,075,097	$37,227,497	$1,021,002
Fremantle proposal 12	$97,967,940	$99,513,014	$49,866,610	$34,477,688	$1,021,002
Difference	$9,654,791	$18,939,662	$5,208,487	$2,749,809	$0

Based on the above financial information the Minister's Proposal 09/2013, while generating a considerable amount of operating revenue, has much greater expenditure, reflective of the amount of assets transferred to the proposed local government. On face value, Fremantle's Proposal 12 while delivering less revenue is financially more viable into the longer term. With the assistance of the affected local governments information has been compiled for the Board in respect of the areas affected by these proposals (Tables 124-127).

Table 124 - Key financial information for the Minister's Proposal 10/2013 – Cities of Cockburn and Kwinana

Minister Proposal 10/2013 - Cockburn/Kwinana	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Cockburn	$119,247,591	$108,650,326	$54,515,296	$47,916,928	$25,715
Kwinana	$53,675,027	$24,749,200	$26,028,934	$9,281,953	$4,161,451
Less: Cockburn - Bibra Lake, Coolbellup, North Lake and Leeming	$19,204,226	$18,862,914	$11,774,550	$4,369,969	$0
Less: Cockburn - Coogee, Hamilton Hill, North Coogee, Spearwood, Rottnest Island and Munster	$23,288,693	$31,381,410	$11,232,462	$6,692,085	$0
TOTAL	$130,429,699	$83,155,202	$57,537,218	$46,136,827	$4,187,166

Table 125 - Key financial information for the City of Cockburn's Proposal 20

Proposal 20 - City of Cockburn	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Cockburn	$119,247,591	$108,650,326	$54,515,296	$47,916,928	$25,715
Kwinana	$53,675,027	$49,419,347	$26,028,934	$9,281,953	$4,161,451
TOTAL	$172,922,618	$158,069,673	$80,544,230	$57,198,881	$4,187,166

Table 126 - Key financial information for the City of Kwinana's Proposal 19

Proposal 19 - City of Kwinana	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Kwinana	$53,675,027	$24,749,200	$26,028,934	$9,281,953	$4,161,451
Add: Cockburn - South of Armadale Road and Beeliar Drive, including Western Trade Coast Industrial Precinct	$53,537,878	$37,494,123	$18,472,897	$29,094,492	$0
TOTAL	$107,212,905	$62,243,323	$44,501,831	$38,376,445	$4,161,451

Table 127 - Key financial information for the Cockburn Community Steering Committee's Elector Proposal E1

Proposal E1 - Cockburn Elector Proposal	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Cockburn	$119,247,591	$108,650,326	$54,515,296	$47,916,928	$25,715
Kwinana	$53,675,027	$24,749,200	$26,028,934	$9,281,953	$4,161,451
Less: Cockburn - Leeming	$1,737,938	$2,399,010	$690,194	$751,385	$0
Cockburn - North Coogee	$933,390	$787,766	$589,341	$246,733	$0
TOTAL	$170,251,290	$130,212,750	$79,264,695	$56,200,763	$4,187,166

Table 128 - Comparative summary of Cockburn and Kwinana proposals

City of Cockburn/ Kwinana under	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Minister proposal 10/2013	$130,429,699	$83,155,202	$57,537,218	$46,136,827	$4,187,166
Cockburn proposal 20	$172,922,618	$133,399,526	$80,544,230	$57,198,881	$4,187,166
Kwinana proposal 19	$107,212,905	$62,243,323	$44,501,831	$38,376,445	$4,161,451
Cockburn Steering Committee E1	$170,251,290	$130,212,750	$79,264,695	$56,200,763	$4,187,166

Based on the above financial information Cockburn proposal 20 and E1 would have the largest rate revenue, along with the largest operating revenue and expenses, noting that it is the larger local government area proposed. Kwinana's proposal 19 generates the least operating revenue, expenses and rates income.

Table 129 - Key financial information summary per proposal

Proposal	Current Assets	Total Current Liabilities	Operating Revenue	Operating Expense	Rates	Fees and User Charges
Proposal 08/2013	$99,880,936	$24,133,207	$135,601,717	$137,352,001	$69,836,211	$40,391,912
Proposal 9	$139,044,025	$39,458,492	$204,816,673	$208,721,936	$104,996,840	$67,163,351
Proposal 10	$106,363,664	$28,003,733	$149,866,201	$147,191,715	$80,734,728	$41,789,369
Proposal 10/2013	$119,101,360	$32,207,915	$130,429,699	$83,155,202	$57,537,218	$46,136,827
Proposal 19	$111,764,123	$29,518,182	$107,212,905	$62,243,323	$44,501,831	$38,376,445
Proposal 20	$147,187,311	$39,781,158	$172,922,618	$133,399,526	$80,544,230	$57,198,881
Proposal E1	$145,757,894	$39,347,368	$170,251,290	$130,212,750	$79,264,695	$56,200,763
Proposal 09/2013	$65,664,356	$22,464,741	$107,622,731	$118,452,676	$55,075,097	$37,227,497
Proposal 12	$54,714,536	$20,018,126	$97,967,940	$99,513,014	$49,866,610	$34,477,688

Financial health checks

The capability assessment in the Department of Local Government's 2009 Local Government Reform Steering Committee report identified the local governments of Cockburn, Fremantle, Kwinana and Melville as category 1, East Fremantle as category 2, 'requiring structural reform including amalgamation/boundary adjustments'. The independent expert analysis of the financial position of the local governments conducted for the Metropolitan Local Government Review Panel included a five-year analysis of sustainability measures and Cockburn, Fremantle, East Fremantle and Melville were all rated as 'sustainable'; Kwinana was rated as 'marginal.' A financial health check (based on the 2012-13 annual financial statements) undertaken by the Department of Local Government and Communities has rated the assessed position of Cockburn, East Fremantle and Melville as 'sustainable', Kwinana as 'marginal' and Fremantle as 'vulnerable'.

Financial Sustainability Analysis

The Western Australian Treasury Corporation (WATC) was commissioned to undertake a comparative analysis of the financial sustainability of existing and proposed metropolitan local governments. The financial analysis by WATC was based on the seven (7) financial ratios on which local governments are required to report, considering the past four financial years using the annual financial statements, and the forward looking next four years based on the financial plans, with seven years of data (2010-2017) to derive a Financial Sustainability Score as follows:

Table 130 - Financial Sustainability Scores (FSS)

FSS for current and proposed authorities	2010-2013	2010-2017
City of Cockburn	92	91
Town of East Fremantle	88	86
City of Fremantle	56	58
City of Kwinana	72	60
City of Melville	86	85
City of Melville (1) Proposal 9	67	66
City of Melville (2) Proposal 10	72	75
Minister's Proposal 08/2013	67	66

FSS for current and proposed authorities	2010-2013	2010-2017
City of Fremantle Proposal 12	74	69
Minister's Proposal 9/2013	60	60
City of Kwinana Proposal 19	87	89
City of Cockburn Proposal 20	87	85
Cockburn Community Steering Committee Proposal E1	87	85
Minister's Proposal 10/2013	89	90

Source: WA Treasury Corporation. The FSS for all current metropolitan local governments and the proposed restructured local governments are included in Section 4 of the Appendices.

The WATC FSS confirms the potential for a financially strong Cockburn - Kwinana local government into the future under proposals 19, 20, E1 and Minister's proposal 10/2013. The proposals have a positive impact on reducing the FSS difference between existing Cockburn and Kwinana without significantly impacting Cockburn. The financial capacity of a local government under these proposals presents leveraging opportunities that are not available or out of reach of the current smaller councils. Fremantle has a relatively weak FSS, and its position is improved under the Minister's proposal 10/2013, but more particularly under its proposal 12. Melville has a strong FSS, and the proposals diminish that position. The proposed transfer of Canning localities to Melville comes with a significant operating deficit which contributes to a poor operating surplus ratio and ultimately a reduced FSS under these proposals.

Table 131 - 2012/2013 Financial Ratios

Local government	Cockburn	East Fremantle	Fremantle	Melville	Kwinana
Current	1.618	1.099	1.078	1.150	0.423
Debt Service Cover	No debt	9.162	4.238	47.492	11.913
Own Source Revenue	1.030	0.949	0.901	0.939	0.883
Operating Surplus	0.192	0.089	-0.002	0.031	0.120
Asset Sustainability	0.413	3.348	0.959	0.816	1.378
Asset Consumption	0.709	0.870	0.515	0.613	0.478
Asset Renewal	0.991	1.00	0.467	1.00	0.811

Submissions to the Local Government Advisory Board

Submissions were provided to the Board during the advertised public submission periods by local governments, industry groups, local businesses and affected ratepayers. A summary of these submissions is detailed below. Note the following summaries are the position put forward by those making the submission.

Local government submissions:

City of Melville

The City of Melville supports Proposal 10, as it establishes logical and easily identifiable boundaries using Swan and Canning Rivers and Stock Road. The Kewdale-Kwinana railway to the south is an established boundary separating the Murdoch Strategic Activity Centre from Cockburn Central. High and Nicholson Roads form logical east and south-eastern boundaries separating Booragoon-Murdoch and Cannington, following existing suburb boundaries. The city claims there would be greater economies of scale maintaining an extended river foreshore. Rossmoyne, Willetton, Shelley and Riverton are considered to have developed historically in tandem with existing Melville suburbs such as Bull Creek and Leeming. By incorporating additional suburbs and commercial (i.e. Jandakot airport) in Melville, there would be a more equitable share of the regional commercial-industrial rate base. The City considers it pivotal for the South Metropolitan Regional Council (SMRC) waste facility in Canning Vale to be located within the district of Melville in order to ensure its protection as a regional investment. Melville considers that its business management systems and community service delivery hubs reflect best practice. Melville no longer supports the transfer of Bicton and Palmyra to Fremantle.

City of Cockburn

The City of Cockburn is opposed to proposal 19 and Minister's proposals 08/2013, 09/2013 and 10/2013. The City supports Proposal 20 and E1.

The City objects to the transfer of the Coolbellup Hub to the new district of Melville, from where it provides its family support, day care and home care programs (including Indigenous support). This would require relocation of Cockburn's aged care services as well as a proportionate transfer of staffing, leading to operational disruption as business units and staff are divided between different local governments. It objects to losing its Administration Centre in Spearwood. It objects to the excise of Jandakot Airport from its district leaving the precinct disconnected from the surrounding suburb of Jandakot and its local road network. The proposals would split the City's Developer Contribution Scheme, creating a funding shortfall of up to

$11 million, with implications for the renewal of the Spearwood Library and Seniors Centre. The transfer of Bibra Lake would see Cockburn lose its operation centre and its associated industrial area to Melville. This is seen as an unnecessary split of the integrated industrial network and Cockburn's integrated road improvement program. The city claims that any proposal that splits Beeliar Regional Park would increase the complexity of bushfire control and management.

The City opposes partial boundary amendments in favour of a full merger with Kwinana. Only a merger with Kwinana would avoid the fragmentation of historical connections that are common to both districts. The City observes that the economic and industrial profiles of Cockburn and Kwinana are more closely aligned than those of Cockburn and either Fremantle or Melville. The City also argues that it is much more closely aligned with Kwinana in terms of demographics. A Cockburn-Kwinana district would better reflect the catchment area of the Cockburn Central Strategic Centre, which already draws residents from the northern part of Kwinana. A Cockburn-Kwinana district would prevent fragmentation of the support network and funding from the current Cockburn Community Fund and Cockburn Developer Contribution Scheme. The City contends that Proposals 20 and E1 will have no negative impact on the financial viability of a future Cockburn-Kwinana local government and create the least disruption during transition, while generating maximum business efficiencies.

City of Kwinana

Subsequent to its own proposal 19, the City of Kwinana supports Ministerial Proposal 10/2013. The proposed boundaries will align existing and future communities of interest, in particular transit oriented developments, semi-rural communities and the Western Trade Coast region. The proposal consolidates the Owen Anchorage coastline into an expanded City of Fremantle and the Jandakot Water Mound under the jurisdiction of an enlarged City of Kwinana. The proposal creates a local government with jurisdiction over the bulk of the Kwinana Industrial Area and provides for consistent approaches to town planning to facilitate development in high growth areas. It is proposed to utilise the Cockburn Administration centre as the centralised office where regional services can be delivered. The proposal provides for a more equitable distribution of rates across the region and a fairer diversification of rate base within each proposed local government.

The City of Kwinana opposes Proposal 21 from the Shire of Serpentine Jarrahdale, as the Shire does not demonstrate in its proposal how the planned community facilities in the incorporated Kwinana areas will be funded as well as current facilities

maintained. The City believes the proposal does not demonstrate financial and human resource capacity to implement the boundary adjustment.

City of Fremantle

The City of Fremantle supports Proposals 09/2013 and 12 and opposes Proposal 9. Proposal 09/2103 and 12 reflect a community of interest between Fremantle and East Fremantle and generally there is support from the Fremantle community for the reunification of Fremantle. Proposal 9 is least supported by the community. The proposals would provide East Fremantle residents with greater access to staff and professional expertise in areas of urban design, heritage and economic development. Proposals are consistent when it comes to harbour boundaries and utilising the Port Buffer Zone as part of the northern boundary. The City notes that the changed demographic will require a change of focus on the delivery of community services and facilities. The inclusion of surrounding suburbs under this proposal would further strengthen the local government to support and facilitate its position as a strong strategic metropolitan centre.

Town of East Fremantle

The Town of East Fremantle opposes proposal 09/2013. The Town incorporates one suburb and has always been almost entirely residential. The Town argues that to incorporate the Town with the City of Fremantle and parts of the City of Cockburn and Melville would be contrary to the Board's "Guiding Principle" regarding communities of interest. The Town's history is an important part of its social sustainability. The Town is financially viable, and questions the financial sustainability of the City of Fremantle. The Town's offices are on a major transit route providing easy access to residents. Should a merger take place with Fremantle or Melville residents would have less access. The Town provides services and facilities not offered by neighbouring councils. The Town has the lowest minimum rates compared with Fremantle and Melville, and according to the Town if a merger was to take place an estimated 85% of East Fremantle ratepayers would be worse off. Should reform take place the Town seeks to remain as a precinct under a joint TPS, maintain its residential design guidelines and protect the building heritage of the area. Should reform proceed, amalgamation is preferred to a boundary change as an implementation method.

City of Rockingham

The City of Rockingham generally supports Proposal 10/2013, noting that while it wishes to resolve some minor issues in terms of its own northern boundary, it will

discuss those issues with any new ‘Cockburn-Kwinana’ local government when it is formed.

Other submissions on Melville proposals

Almost 70 per cent of the 61 public submissions against Minister's proposal 08/2013 were from residents of Bicton and Palmyra opposing the removal of those localities from the district of Melville. The remainder were principally from residents in the districts of Canning, Cockburn and Fremantle opposed to the fragmentation of their own districts in order to transfer areas to Melville.

Most of the 14 submissions supporting Melville's Proposal 9 were also from Bicton and Palmyra residents arguing to remain in a ‘Melville based’ district. However, over 50 per cent of the 33 submissions against the proposal were also from residents of Melville, predominantly in the same localities, who not only wished to remain in Melville but also opposed any 'Fremantle-Melville' merger, citing separate communities of interest between Fremantle and Melville generally. Six submissions specifically objected to the transfer of the Jandakot Airport precinct from the City of Cockburn to an extended Melville district.

Most of the 14 submissions in support of Proposal 10 were from the Melville district, though three from Bicton and Palmyra indicated support for their localities to move to a new Fremantle district. Around 80 per cent of the 103 submissions against the proposal were from residents of the Melville district primarily opposed to any change to the status quo, though just over 10 per cent were from Cockburn residents opposing the transfer of their localities to Melville, particularly Bibra Lake, Coolbellup and the Jandakot Airport precinct.

Table 132 - Submissions lodged on Melville proposals

Origin of submissions	**Number of submissions**					
	Proposal 08/2013		**Proposal 9**		**Proposal 10**	
	For	Against	For	Against	For	Against
Local governments	0	2	0	2	1	1
Stakeholders	1	10	0	4	1	12
Individuals	2	61	14	33	14	103
Totals	**3**	**73**	**14**	**38**	**16**	**116**

Table 133 - Petitions lodged on Melville proposals

Creator or petition	Number of signatures			
	Proposal 08/2013		Proposal 10	
	For	Against	For	Against
Rhea Doig (for residents of City of Cockburn)	0	30	N/A	N/A
Dean Nalder MLA	N/A	N/A	0	220
Michelle Nunn (for residents of City of Cockburn)	0	20	0	20
Alex Corinaldesi (for residents of City of Cockburn)	0	18	0	18
Ev Wegner (for residents of City of Cockburn)	0	127	0	127
Ken Barrett (for residents of City of Cockburn)	0	123	0	123
Marie-Michelle Aubeelack (for residents of City of Cockburn)	0	18	0	18
Shogo Williams-Matsuoka (for residents of City of Cockburn)	0	8	0	8
Bicton and Palmyra residents	N/A	N/A	0	76
Totals	**0**	**314**	**0**	**610**

The Cockburn Community Proposal Steering Committee opposes all three proposals for extension of the Melville district on the basis of its opposition to fragmenting the current Cockburn district, as stated in its own Proposal E1. The Committee argues that the Jandakot Airport precinct has a much stronger community of interest with Cockburn than Melville, and argues that Melville's current financial viability does not necessitate the acquisition of that precinct. Australand Holdings opposes Proposals 08/2013, 9 and 10 to the extent that they would cede parts of the current Cockburn district to an extended City of Melville. The Group supports retention of the entire Cockburn district in one 'Cockburn-Kwinana' local government as suggested by either Proposal 20 or E1.

Hon. Dean Nalder MLA, State Minister for Transport and Finance, and Member for Alfred Cove, expressed support for City of Melville Proposal 10, arguing that Bicton is historically linked to Melville noting the boundaries proposed by Melville most effectively delineate different communities of interest.

Other submissions on Fremantle and East Fremantle proposals

Seven public submissions from residents in the current Fremantle district and affected localities in the current districts of Cockburn and Melville supported the Minister's proposal (09/2013) on the basis that it represented a logical community of interest and provided for the Fremantle region's future development and growth. Around 30 per cent of the 28 submissions against the proposal objected to fragmentation of the current Cockburn district, while just over 45 per cent were from Bicton and Palmyra residents wishing to remain in Melville.

Six public submissions in support of Fremantle's proposal (12) were primarily based on the view that its boundaries represented a logical community of interest. Of the 35 submissions against the proposal, most were from residents of the Cities of Cockburn and Melville objecting to any change.

Table 134 - Submissions lodged on Fremantle and East Fremantle proposals

Origin of submissions	**Number of submissions**			
	Proposal 09/2013		**Proposal 12**	
	For	Against	For	Against
Local governments	1	2	2	1
Stakeholders	2	9	1	4
Individuals	7	28	6	35
Totals	**10**	**39**	**9**	**40**

Table 135 - Petitions lodged on Fremantle and East Fremantle proposals

Creator of petition	Number of signatures			
	Proposal 09/2013		Proposal 12	
	For	Against	For	Against
Alex Corinaldesi (for residents of City of Cockburn)	0	18	0	18
Ev Wegner (for residents of City of Cockburn)	0	127	0	127
Franca Galipo (for residents of City of Cockburn)	0	14	N/A	N/A
Ken Barrett (for residents of City of Cockburn)	0	123	0	123
Marie-Michelle Aubeelack (for residents of City of Cockburn)	0	18	0	18
Michelle Nunn (for residents of City of Cockburn)	0	20	0	20
Rhea Doig (for residents of City of Cockburn)	0	30	0	12
Shogo Williams-Matsuoka (for residents of City of Cockburn)	0	8	0	8
Totals	**0**	**358**	**0**	**181**

The Cockburn Community Proposal Steering Committee opposes both proposals for extension of the Fremantle district on the basis of its opposition to fragmenting the current Cockburn district, as stated in its own Proposal E1. The Committee argues that Hamilton Hill and North Coogee have a much stronger community of interest with Cockburn than Fremantle. The Committee believes that these localities can be retained in Cockburn while still creating a financially sustainable 'Fremantle-East Fremantle' district. Australand Holdings opposes Proposals 09/2013 and 12 to the extent that they would cede parts of the current Cockburn district to an extended City of Fremantle. Australand supports retention of the entire Cockburn district in one 'Cockburn-Kwinana' local government as suggested by Proposals 20 andE1.

Other submissions on Kwinana and Cockburn proposals

The public submissions on proposals related to Cockburn and Kwinana largely reflect the support of respondents for their existing local governments. Over 95 per cent of

1333 submissions in support of the Minister's proposal (10/2013) were from residents of the City of Kwinana, many of whom expressed satisfaction with the current City but opted for extension of the Kwinana district to incorporate Cockburn in the event of change. Similarly, almost 100 per cent of the submissions against the proposal were from residents of Cockburn, principally objecting to fragmentation of their current district.

Few submissions were lodged in relation to Kwinana's own proposal (19), with most respondents to other proposals expressing a preference that any merger of the Cockburn and Kwinana districts align with the Minister's suggested boundaries.

While most of the 29 submissions supporting Cockburn's proposal (20) were from residents of the City of Cockburn, almost 98 per cent of 1109 submissions against the proposal were from residents of the City of Kwinana, generally opposing any change to the current Kwinana district. In responses to the Cockburn Community Steering Committee's proposal (E1), almost 100 per cent of 3758 submissions in support were from residents of Cockburn, while over 95 per cent of 1112 submissions against the proposal were from residents of Kwinana. In most cases, Cockburn residents were generally opposed to any fragmentation of the current Cockburn district, primarily because of concerns regarding loss of community connections and subsequent disruption to service delivery, while Kwinana residents were generally supportive of either the status quo or the Minister's proposal.

Table 136 - Submissions lodged on Kwinana and Cockburn proposals

Origin of submissions	**Number of submissions**							
	Proposal 10/2013		**Proposal 19**		**Proposal 20**		**Proposal E1**	
	For	Against	For	Against	For	Against	For	Against
Local governments	3	1	1	1	1	2	1	2
Stakeholders	2	12	1	5	17	7	41	4
Individuals	1333	3949	6	11	29	1109	3758	1112
Totals	**1338**	**3962**	**8**	**17**	**47**	**1118**	**3800**	**1118**

The City of Kwinana also distributed a template submission form within its district, supporting Proposal 10/2013 and opposing Proposals 20 and E1. It was returned by 1058 respondents.

The City of Cockburn and the Cockburn-Kwinana Community Proposal Steering Committee distributed similar templates supporting Proposal E1 and opposing Proposal 10/2013. The City's was returned by 859 respondents, and the Committee's by 6678 respondents.

Table 137 - Petitions lodged on Kwinana and Cockburn proposals

Creator of petition	**Number of signatures**							
	Proposal 10/2013		**Proposal 19**		**Proposal 20**		**Proposal E1**	
	For	Against	For	Against	For	Against	For	Against
Alex Corinaldesi (for residents of City of Cockburn)	0	18	0	18	0	18	18	0
City of Cockburn employees	0	335	N/A	N/A	N/A	N/A	N/A	N/A
City of Cockburn residents	0	9	N/A	N/A	N/A	N/A	9	0
Cockburn BMX Club	N/A	N/A	N/A	N/A	0	15	N/A	N/A
Ev Wegner (for residents of City of Cockburn)	0	127	0	127	0	127	127	0
Franca Galipo (for residents of City of Cockburn)	0	14	0	14	N/A	N/A	N/A	N/A
Ken Barrett (for residents of City of Cockburn)	0	123	0	123	0	123	123	0
Marie-Michelle Aubeelack (for residents of City of Cockburn)	0	18	0	18	0	18	18	0
Michelle Nunn (for residents of City of	0	20	0	20	0	20	20	0

Creator of petition	Number of signatures							
	Proposal 10/2013		**Proposal 19**		**Proposal 20**		**Proposal E1**	
	For	Against	For	Against	For	Against	For	Against
Cockburn								
Rhea Doig (for residents of City of Cockburn)	0	30	0	14	0	14	30	0
Spearwood residents	N/A	N/A	N/A	N/A	N/A	N/A	16	0
Shogo Williams-Matsuoka (for residents of City of Cockburn)	0	8	0	8	0	8	8	0
Totals	**0**	**8**	**0**	**0**	**0**	**610**	**215**	**0**

The Cockburn Community Proposal Steering Committee generally supports Proposal 20 in addition to its own Proposal E1, as its priority is to avoid fragmentation of the current Cockburn district. For this reason, it opposes Proposals 10/2013 and 19. The Committee argues that Proposal 19 will unnecessarily bisect the Cockburn Central activity centre and Beeliar Regional Park, in addition to ceding Hamilton Hill and surrounding localities that are considered to be historically essential to Cockburn's community identity.

Jandakot Airport Holdings supports either Proposal 20 or E1, arguing that the airport and surrounds have developed, and will continue to develop, into a high quality mixed use business precinct under the City of Cockburn, and expresses confidence that its proposal for a merger with the City of Kwinana will not threaten that situation.

Australand Holdings supports either Proposal 20 or E1 on the basis of its general opposition to the fragmentation of the Cockburn district. As such, it opposes Proposals 08/2013, 9 and 10 to the extent that they would cede parts of the district to an extended City of Melville (see section 8), Proposals 09/2013 and 12 to the extent that they would cede parts to Fremantle (see section 9), and Proposals 10/2013 and 19 to the extent that they would fragment the Cockburn district and facilitate the Fremantle and Melville extensions. The company contends that while Fremantle, East Fremantle and Melville have shared communities of interest and fully established urban localities appropriate only for infill development, Cockburn and

Kwinana are future growth regions that require a separate planning focus. Australand supports the continuation of Cockburn's current developer contribution schemes, and the extension of those schemes to a wider 'Cockburn-Kwinana' district.

The Kwinana Industry Council (KIC) supports Proposals 10/2013 and 19 in opposition to Proposal 20. The Western Trade Coast Office opposes all relevant proposals, though its objectives are comparable to the KIC. Both identify a community of interest for all of the industrial firms and associated service businesses that form the Western Trade Coast (which includes the Australian Marine Centre in City of Cockburn, all of the Kwinana strip in the City of Kwinana and the businesses further south in the Rockingham Industrial Zone). KIC contends that this is clearly a community of interest with State significance. It therefore supports the Minister's proposal (10/2013) but suggests that the boundaries need to extend further south to take in the Rockingham Industrial Zone and thereby preserve the community of interest of the Western Trade Coast. With three local governments currently delivering services in the Western Trade Coast, inconsistent control and management is considered damaging to the objectives of the WTC. It is argued that only the City of Kwinana can deliver planning controls that meet the key principle of preserving the industrial buffer zone.

Several local MPs opposed all four proposals on the basis of their view that Cockburn is a strong, financially viable local government that should not be fragmented as well as opposing the use of boundary adjustments to merge local governments without enacting the poll provisions of the Act.

Table 138 - Summary information for the Cities of Cockburn, Fremantle, Kwinana and Melville and the Town of East Fremantle

Summary information	Cockburn	East Fremantle	Fremantle	Kwinana	Melville
Population 2013	103,351	7,736	30,321	34,413	106,335
% variation from 100,000 in 2013	3%	-92%	-70%	-66%	6%
Population 2026	134,610	8,544	34,597	51,610	107,980
Population 2050	181,080	8,602	34,893	52,965	108,050
Strategic centres (Strategic – bold)	Cockburn Central, Jandakot Airport (specialised)	None	**Fremantle**	Kwinana	Booragoon, Murdoch (specialised)
Future industrial sites	Jandakot Airport, Latitude 32	None	None	Latitude 32, Postans	None
Additional dwelling Target (D2031)	22,000 to 29,000	600	3,500	16,000 to 21,000	11,000
Local employment (self-containment) %	64.30%	No data	154.30%	90.60%	65.50%
Total FTE	761	38	279	224	728
Total Expenditure	109,554,318	11,296,000	69,032,591	55,171,551	92,937,610
Total Rates	57,916,814	6,031,000	36,109,025	28,208,725	56,113,024
Average residential GRV	$17,353	$22,169	$22,742	$14,108	$20,676

Summary information	Cockburn	East Fremantle	Fremantle	Kwinana	Melville
Average residential rate	$849	$1,570	$1,625	$1,155	$1,063
Residential GRV rate in $	0.048590	0.067561	0.070180	0.078727	0.050960
Rates as % of revenue	72.4%	53.6%	47.2%	56.5%	55.9%
Residential rates %	83.1%	N/A	57.2%	71.4%	N/A
Commercial rates %	16.9%	N/A	39.4%	21.8%	N/A
DLGC Financial health check	sustainable	vulnerable	sustainable	marginal	sustainable
Operating Surplus	0.12	0.085	-0.053	0.042	0.103
Current ratio 2013	2.20	1.099	110	1.125	1.15
WATC Ratio Profile	No data	No data	No data	No data	No data
WATC Financial Sustainability Score (2010-2013)	92	88	56	70	86
WATC Financial Sustainability Score (2010-2017)	91	86	58	59	85

Table 139 - Summary information for the proposals affecting the Cities of Cockburn, Fremantle, Kwinana and Melville and the Town of East Fremantle

Summary information	**Cockburn Community Steering Committee Proposal E1**	**Cockburn Proposal 20**	**Fremantle Proposal 12**	**Kwinana Proposal 19**	**Melville (1) Proposal 9**	**Melville (2) Proposal 10**	**Minister's Proposal 08/2013**	**Minister's Proposal 09/2013**	**Minister's Proposal 10/2013**
Population 2013	134,467	137,764	62,017	71,619	179,460	152,973	144,645	80,648	91,256
% variation from 100,000 in 2013	34%	38%	-38%	-28%	79%	53%	45%	-19%	-9%
Population 2026	181,925	177,426	62,279	94,894	188,924	162,866	153,622	92,246	119,396
Population 2050	254,702	242,815	62,867	134,101	202,106	177,312	166,766	109,985	166,376
Strategic centres (Strategic – bold)	Cockburn Central, Kwinana, Jandakot Airport (specialised)	Cockburn Central, Kwinana, Jandakot Airport (specialised)	**Fremantle**	Cockburn Central (part), Kwinana	Booragoon, Murdoch , Jandakot Airport (specialised)	Booragoon, Murdoch, Jandakot Airport (specialised)	Booragoon, Murdoch (specialised)	**Fremantle**	Cockburn Central, Kwinana, Jandakot Airport (specialised)
Future industrial sites	Jandakot Airport, Latitude 32, Postans	Jandakot Airport, Latitude 32, Postans	None	Jandakot Airport, Latitude 32, Postans	None	None	None	None	Jandakot Airport, Latitude 32, Postans

Summary information	**Cockburn Community Steering Committee Proposal E1**	**Cockburn Proposal 20**	**Fremantle Proposal 12**	**Kwinana Proposal 19**	**Melville (1) Proposal 9**	**Melville (2) Proposal 10**	**Minister's Proposal 08/2013**	**Minister's Proposal 09/2013**	**Minister's Proposal 10/2013**
Operating Surplus 2013	1.07	1.08	1.39	0.82	1.10	1.02	0.925	1.47	0.921
Current ratio 2013	0.12	0.12	0.04	0.25	-0.03	0.00	-0.034	-0.057	0.220
WATC Ratio Profile	Strong or at benchmark	Strong or at benchmark	Stronger than existing	Strong on most	Strong on most	At or above benchmark for most	Exceeds benchmark on four ratios	Weak in key areas	Extremely well balanced
WATC Financial Sustainability Score (2010-2013)	89	88	74	90	67	72	67	60	93
WATC Financial Sustainability Score (2010-2017)	86	86	69	91	66	75	66	60	92

Assessment of the City of Melville's Proposal 9

against Local Government Advisory Board criteria

Proposal 9 was assessed and rejected by the Board.

The proposal identified increased commercial and industrial activity which allows the new City to broaden its economic base and reduces its reliance on retail. The new local government will have four strategic areas; Fremantle port, Fremantle strategic metropolitan centre, Booragoon secondary centre and Murdoch specialised centre. An enlarged local government with increased financial and professional capability will have capacity to plan for and manage these areas into the future

Community of interest

Communities affected under Melville's two phased approach include Fremantle (excluding North Fremantle) and East Fremantle and parts of the City of Canning and a segment of Leeming from the City of Cockburn. While this proposal is no longer supported by the City of Melville, the proposed areas have some community of interest links with Fremantle, including for arts, cultural activities and schools. Similarly residents in the Town of East Fremantle are more likely to access services within Fremantle. It is noted that the community values reflected in the strategic community plans are quite distinct from Melville. Both Fremantle and East Fremantle identify strong connections to heritage and culture and urban considerations as priorities, compared with more suburban matters in Melville. Multiple public transport options provide east and west routes which connect key activity, employment and educational centres. High school catchment areas extend across local government boundaries.

The City of Melville's proposal also seeks to incorporate the river suburbs of Rossmoyne and Shelley from Canning. Amenity and recreational activities for riverside residents contribute to community of interests. It is the Board's view that community of interest will continue to exist regardless of any specific local government boundary, however it did acknowledge some differences in community priorities between Melville, Fremantle and East Fremantle. The Board also considered that there was compatibility among the communities, industries and services provided for residents.

Physical and topographic features

The Board's deliberations included identifying strong, logical boundaries, aligned where possible with main roads to avoid boundaries which cut across places of residence and business. The Board considered the proposed phased approach as unfavourable. The boundaries under this proposal address the existing anomaly which splits Leeming across three local governments. The Board also recognises that the northern boundary along the middle of the Swan River reflects a logical boundary and its extension to incorporate the suburbs of Rossmoyne and Shelley can potentially enhance river foreshore management under one local government. However, the proposal's extension of the current southern boundary to incorporate Jandakot Airport and half of the South Metropolitan Regional Council (SMRC) waste transfer station creates an anomaly by separating parts of the Canning Vale industrial area. The Board considered that the southern boundary could disrupt management of the SMRC noting that it splits the site.

Demographic trends

Demographic analysis undertaken by Geografia indicates that the new local government would have a large population of around 180,000 increasing to 190,000 in 2026 and 205,000 by 2050. The data also indicates a broader population mix than the current city population. While demographic trends are not considered a major factor in the assessment process, the Board believes that the proposed local government would have the capacity to service the needs of the growing and changing community.

Economic factors

The Board considered that the focus on the activity centre of Booragoon (secondary) and Murdoch specialist centre delivered economic advantages for the local government under this proposal, reinforcing its capacity to service the needs of the community into the future. The Board noted extensive planned development around Booragoon, the Murdoch specialist centre and the Canning Bridge precinct. The Board recognised that these areas would provide strong economic support for the local government into the future. Jandakot Airport would also provide considerable financial support towards assisting the City to service its expanding community.

The history of the area

In the Board's view, there are no significant differences in the history of the areas affected by the proposed boundary change to suggest that it should not proceed. The boundary change might be seen by some as contributing to a loss of history, but that

history will fundamentally remain. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. The proposal brings together areas with some historical ties and a local government with considerable capacity to ensure local history is accessible for future communities. The history of the area is not considered by the Board to be a major factor in assessing this proposal.

Transport and communication

The Board noted the potential for greater integration of transport planning in this area around key transport corridors, particularly as major arteries become increasingly congested. A key benefit of this proposal is the number of major roads including Leach Highway, South Street and Canning Highway under the jurisdiction of one local government which could deliver improved east/west and north/south transport access. A more coordinated approach would assist residents and local businesses into the future. Greater capacity to plan for improved access to the Fremantle port would be an improved outcome under this proposal.

Matters affecting the viability of local governments

The proposed merger improves parity compared to the existing local governments of Fremantle and Canning however it is noted the WATC FSS for Melville declines considerably from 86/85 to 67/66, resulting in scores below the benchmark (70). This is likely to have a negative impact on the merger into the longer term. A key driver of this outcome is the current operating costs for suburbs to be incorporated from the City of Canning, which presently run into a $4.7 million deficit annually. The WATC FSS for the City of Melville under this proposal is thus generally not consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community. The Board's view is that the adverse sustainability ratings are a fundamental weakness and an impediment to progressing this proposal.

The effective delivery of local government services

The Board noted that the City of Melville, as the continuing local government, has industry best practice processes in place and these could assist with these issues in the long term. There is a positive mix of both residential and commercial activities, with further commercial development proposed in a number of areas. The Board's view is that the local government is likely to have the capacity to service the

community, and address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community. The ability of the merged local government to effectively deliver services may be negatively affected given the FSS.

Assessment of the City of Melville's Proposal 10

against Local Government Advisory Board criteria

Proposal 10 was assessed and recommendations are subject to the outcome of the further public submission periods for Proposals 10 and E1.

The combined local government is expected to result in improved financial viability; a broader rate base (however less diverse than under proposal 9) improved economies of scale, reduced duplication, better use of resources and facilities, a broader range of services for the community, expanded organisational capacity, improved career paths for staff and greater capability.

Community of interest

This proposal is the preferred proposal of the City of Melville, but the proposed ceding of Bicton and Palmyra to the City of Fremantle is not supported by the City. It is noted under this proposal the catchment areas around the wetlands would be split across two local governments however interest in protecting and enhancing the Beeliar wetlands would continue for local community groups. The Canning Vale industrial precinct has a regional catchment and would not necessarily be affected under the proposal. The Board noted that under this proposal the school catchment areas of Rossmoyne and Leeming would be entirely in the City of Melville. The river suburbs of Rossmoyne and Shelley in Canning share communities of interest with much of Melville which has extensive river frontage. Amenity and recreational activities for riverside residents contribute to community of interests. The secondary centre of Booragoon and specialist centre of Murdoch provide a strong activity focus for surrounding suburbs. Multiple public transport options provide east and west routes which connect key activity, employment and educational centres.

Physical and topographic features

The Board's deliberations included identifying strong, logical boundaries aligned where possible with main roads to avoid boundaries which cut across places of residence / business. The proposal, while it does split three suburbs (only Canning Vale, Jandakot and O'Connor), largely follows the freight rail line dividing the area of Canning Vale into industrial to Melville and residential to Canning. The Board noted the significance of the proposed boundary in incorporating additional industrial areas to underpin the future viability of the local government.

Demographic trends

The socio-economic makeup of localities within the current City of Melville is considered compatible with areas proposed to be incorporated from Canning and Cockburn. The Board noted a moderate forecast population of around 180,000 by 2050 compared to the metropolitan mean of 200,000. While demographic trends are not considered a major factor, the Board believes that the proposed local government would have the capacity to service the needs of the growing and changing community.

Economic factors

The Board considered that the focus on the activity centre of Booragoon (secondary) and Murdoch and Jandakot Airport specialist centres delivered economic advantages for the local government under this proposal, reinforcing its capacity to service the needs of the community into the future. The Board noted extensive planned development around Booragoon, Murdoch and the Canning Bridge precinct. The Board recognised that these areas would provide strong economic support for the local government into the future. Rating of the developments around Jandakot Airport would also provide considerable financial income to assist the City service its community. The proposal would incorporate a major family service centre from Canning and its future operations would be a major consideration. It is noted that a number of other community assets from Canning, Cockburn and Fremantle would be in the area transferred to Melville under this proposal including a library, community hall, club rooms, recreation facilities and council depot. The Board's view is that economic factors constitute a positive dimension to the proposed boundary amendment.

The history of the area

In the Board's view, there are no significant differences in the history of the areas affected by the proposed boundary change to suggest that the proposed boundary change should not proceed. The boundary change might be seen by some as contributing to a loss of history, but that history will fundamentally remain. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. The proposal brings together areas with some historical ties and a local government with considerable capacity to ensure it is accessible for future communities. The Board's view is that the criterion is met under this proposal, however recognised that this point is not in itself a major consideration in determining viable local governments.

Transport and communication

The Board noted the potential for greater integration of transport planning in this area around key transport corridors, particularly as major arteries become increasingly congested. A key benefit of this proposal is the number of major roads including Leach Highway, South Street and Canning Highway under the jurisdiction of one local government which could deliver improved east/west and north/south transport access. A more coordinated approach would assist residents and local businesses into the future. Greater capacity to plan for improved access to the Fremantle port would be an improved outcome under this proposal. The location of significant public transport and rail infrastructure in one local government offers capacity to advocate better transport links and coordination with surrounding activity centres.

Matters affecting the viability of local governments

While the proposed local government exceeds the FSS benchmarks, there are decreases relative to the individual local government FSS scores (with the exception of Canning). It is noted that under the various boundary proposals involving Cockburn and Canning, Melville will acquire significant community assets. However, this is offset to some extent by the relinquishing of assets to Fremantle. Melville argues to ensure maintenance of these assets it is important to expand its industrial/commercial rate base to lessen the burden on existing ratepayers. The total operating revenue of the City of Melville under this proposal is $150 million with rates comprising 54%. The operating costs for suburbs to be incorporated from the City of Canning generate a $4.7 million deficit annually and this is a key consideration. While the local government would have an increased capacity to partner with and lobby Commonwealth and State governments for funding for priority projects and services, the Board's view is that the overall impact on future viability is marginal.

The effective delivery of local government services

The FSS score, improving into the longer term, coupled with the existing best practice management systems, will support an expanded City of Melville to deliver services to its residents. There is a reasonable mix of both residential and commercial activities, with further commercial development proposed in a number of centres. The Board's view is that the local government should have the capacity to service the community, and address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community. Major projects identified in community plans should be able to proceed. The proposal is somewhat consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community.

Assessment of the City of Fremantle Proposal 12

against Local Government Advisory Board criteria

Proposal 12 was assessed and any recommendations maybe subject to the outcome of the further public submission periods for Proposals 10 and E1.

From the City of Fremantle proposal:

The designation of the Fremantle CBD as a strategic activity centre and the Fremantle Port as a metropolitan attractor offers strong grounds for Fremantle to be the core administration of a future local government area that has the Fremantle City Centre and Port as its core.

Community of interest

This amalgamation proposal (Fremantle, East Fremantle) includes boundary adjustments with Cockburn and Melville. There is a strong community of interest between the residents of Fremantle and East Fremantle and adjacent areas, covering school catchment areas, community groups, cultural and urban heritage and an environmental focus. This is reflected in the community visions of the respective strategic community plans. The plans reflect similar community aspirations and social and environmental values generally. The City of Fremantle is the main activity centre for residents of both East Fremantle and Fremantle and extending the boundary of the City would better reflect the activity centre's catchment area. Demographic characteristics are similar, and both areas are in the same electorates for State and Federal elections. The Board concluded that communities to the south encompassing Hamilton Hill, North Coogee, and the east (Bicton and Palmyra) would not be adversely impacted by the proposed boundary changes. The Board is of the view that the proposal will not have an adverse impact on the existing communities of interest, but it is likely that these communities of interest will develop even stronger links under a single local government. The service needs of specific communities of interest, such as seniors, would be well served and the capacity of the local government to engage the community would remain strong.

Physical and topographic features

The most significant physical and topographic features are the Swan River and Indian Ocean to the west. The Board considers it logical for Rottnest Island to be administratively part of the City of Fremantle. The Board considers that it is essential that this local government continue to include the locality of North Fremantle. The proposed eastern boundary of Stock Road is considered appropriate, however the

proposed southern boundary created anomalies. The Board noted that finalisation of the southern boundary may be affected by recommendations in Proposals 10 and E1, which at the time of writing this report were subject to a further public submission period.

Demographic Trends

Similar socio-economic characteristics are shared between the current City of Fremantle and the areas proposed to be incorporated from East Fremantle and Cockburn. The localities from Melville are slightly different in nature, but there addition would provide greater mix and diversity within the city. The population of the City of Fremantle under this proposal at 62,000, increasing to 72,000 in 2026 and 82,000 in 2050, which means that it would continue to be one of the smallest metropolitan local governments. The Board noted that future potential for infill and sustainable coastal development could facilitate further population growth.

Economic factors

Fremantle is identified as an important strategic centre in Directions 2031 and the City has strategies in place to reinforce its primary centre status. The City of Fremantle has acknowledged that competition from surrounding metropolitan centres such as Booragoon has contributed to economic stagnation. A number of plans propose to enhance the viability of the CBD and provide employment and recreational opportunities into the future. This includes proposals for major capital works in the CBD to build contemporary office space to attract more business and vibrancy into the city centre. A local government with greater capacity is important to support and promote the tourism industry and partner with government agencies to promote Fremantle. The proposal noted that considerable community infrastructure would be transferred to the City of Fremantle and this would need to be taken into account in future financial planning. The proposal consolidates coastal industrial areas which could provide for better land use planning into the future. The Board considers that a consolidated City of Fremantle with greater capacity is necessary to enhance and build the commercial and recreational activity of this iconic centre.

The history of the area

In the Board’s view, there are no significant differences in the history of the areas affected by the proposed amalgamation to suggest that a change should not proceed. The boundary change might be seen by some as contributing to a loss of history, but that history will fundamentally remain. Given the historical connections between the City of Fremantle and Town of East Fremantle and adjacent areas the

amalgamation is considered to be positive outcome. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. The proposal brings together areas with some historical ties and a local government with considerable capacity to ensure local history is accessible for future communities. The history of the area is not considered a major factor in assessing this proposal.

Transport and communication

Fremantle is a key transport focal point as a port and railway and major arterial road terminus. Considerable traffic movements are generated by the port and they disperse through the adjoining suburbs to destinations across the metropolitan region and State. The Board noted potential for greater integration of transport planning in this area around key transport corridors and enhanced capacity to advocate for better transport links. A more coordinated approach would assist residents and local businesses into the future. Greater capacity to plan for improved access to the Fremantle port would be an improved outcome under this proposal.

Matters affecting the viability of local governments

The proposed amalgamation results in a local government with an FSS score lower than the FSS benchmark of 70, but given the lower base of the City of Fremantle its position is improved under the proposal. Key factors affecting the viability of the proposed local government include a poor operating surplus ratio and asset renewal ratio. While these indicate areas of weakness, the WATC advise that they should not be viewed as an impediment to considering this proposal. The total operating revenue would be $98 million and operating expenditure $99.5 million, with rates comprising 51% of total operating revenue. Given the potential to address sustainability issues and rationalise some duplicated infrastructure assets, the Board considers the proposal to have a positive outcome on this criterion.

The effective delivery of local government services

The effective delivery of local government services would be maintained and potentially enhanced by the proposed local government, which would have the capacity and resources to deliver services at least to a comparable standard to those currently provided. The City of Fremantle is going through a transformational change at present, recognising the impact of competing centres such as Booragoon, but it will take some time for the City to have a long term sustainable future. A major consideration is the impact of the significant amount of community infrastructure that

would be transferred. The local government would be relatively compact in terms of its size and the geographical spread of the population. The Board considers the proposal is consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population. Major projects identified in community plans could proceed, while capacity to undertake some projects would be enhanced.

Assessment of the City of Kwinana's Proposal 19

against Local Government Advisory Board criteria

Proposal 19 was assessed and rejected by the Board.

From the City of Kwinana proposal:

The City is of the view that the Western Trade Coast Industrial Precinct (WTC) is a strategic economic precinct that should be administered by one local government authority and it is best qualified to perform this task.

Community of interest

This proposal is for a boundary amendment to the City of Kwinana to incorporate half of the City of Cockburn, south of Armadale Road and Beeliar Drive, including the majority of the Western Trade Coast Industrial Precinct. The Board acknowledges that both local governments share a focus on the coastal industry strip and incorporating the majority of the industrial precinct in the one local government would deliver benefits to business and clients through coordinated management and planning. Cockburn and Kwinana share similar demographic characteristics and employment profiles and significant population growth to 2050 is expected in both areas. The Board noted however that there is potential for the communities surrounding Cockburn Central to be split, and this is a significant consideration given the rapid growth and amenities coming on line in this precinct. The proposed boundaries would split the wetlands belt which is primarily in the current City of Cockburn, and it is considered that this may have a detrimental impact on communities of interest where groups are coordinated by the local council. However it is noted a number of local groups are in existence independent of the local government and would likely continue regardless of local government arrangements.

Physical and topographic features

The current proposal northern boundary extends along Beeliar Drive and reflects a relatively strong boundary. However it is noted that Woodman Point would be split between the two local governments, and significant wetland areas are also split between local governments. It is noted also that the Cockburn Central development is split between Beeliar Drive. The Board considered that if this proposal was to proceed, a minor boundary amendment would be necessary, to amend the southern boundary of Kwinana with Rockingham, using an alignment along Charles Street to the coast as the boundary. This amendment would ensure that the Kwinana Nickel Refinery is not split between local governments.

Demographic trends

The Board noted no compelling points of difference in the demographic details of the localities affected by the proposed boundary change. Rather, there are significant similarities in the socio-economic character of the areas within the current Cities of Kwinana and Cockburn. The capacity of the local government to service the needs of the growing and changing community, including a significant aged population would be strong, particularly given the current level of effort directed by both local governments to community services. The capacity to deal with rapid population growth would be retained and enhanced. The combined local governments would have an aggregate population of 145,000 by 2050.

Economic factors

There is no strategic metropolitan centre in the proposed local government. However the expansion and development of secondary activity centres in Cockburn and Kwinana and in the broader area, including the significant industrial area, will provide considerable economic strength to this local government. The future growth of these areas will provide considerable employment options for future residents. The boundary amendment ensures the Western Trade Coast is largely within one local government, which will facilitate better management and coordination of this critical industrial site into the future. There are strong economic linkages, and the Board considers the strength and commonality of economic factors is a positive dimension for the proposed boundary change.

The history of the area

In the Board's view, there are no significant differences in the history of the areas affected by the proposed boundary adjustment to suggest that it should not proceed. The boundary change might be seen by some as contributing to a loss of history, but that history will fundamentally remain. Given the historical connections between the Cockburn and Kwinana localities, the boundary amendment is considered to be a positive outcome. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. The history of the area is not considered a major factor in assessing this proposal.

Transport and communication

Extensive transport planning to facilitate integrated road and public transport is evident within the two local governments. Important issues such as the streamlined development of the grain freight network and the interface with the terminal at

Kwinana could be managed and negotiated more effectively between a larger local government and relevant state agencies. The Board considers the potential for greater integration of transport planning in this area around key transport corridors and growth areas will assist residents and local business into the future. The Board considers that the enhanced capacity to advocate for integrated public transport will also be important for this high growth area.

Matters affecting the viability of local governments

As a result of the proposed boundary adjustment the FSS score of the former City of Kwinana is considerably improved. The boundary adjustment thus improves parity compared to the existing local governments and would result in increased financial sustainability. The financial strength of Cockburn, currently one of the strongest in the metropolitan area, contributes to the strong FSS position of the proposed local government, which will have the capacity to support the considerable growth proposed for the district in the long term. Given the financial strength of the proposed local government, derived from its strong commercial and industrial sector, and the potential to address sustainability issues and rationalise some duplicated infrastructure assets, the boundary change is considered to have a positive outcome on this criterion. The local government would also have an increased capacity to partner with and advocate and lobby Commonwealth and State governments for funding for priority projects and services. The current operating revenue of the local government totals $104 million and operating expenses comprise $91 million. The Board rated the proposal highly on this criterion.

The effective delivery of local government services

The City of Cockburn noted that a splitting of its service delivery network and community assets between Melville and Kwinana would result in potential service gaps. The proposed local government excludes the current Cockburn administrative centre. The Board notes however that the financial strength of an enlarged City of Kwinana is likely to have the capacity to respond to these service gaps. Consideration would need to be given to whether City of Kwinana has the capacity to accommodate a significant proportion of the present City of Cockburn staff. The Board notes discussions around using the Cockburn administration building as a shared service centre with Fremantle and Melville. The Board believes that the effective delivery of local government services would be maintained by the proposed local government, which would have the capacity and resources to deliver services at least to a comparable standard to those currently provided. The proposal is consistent with improving the capacity of metropolitan local governments to address

the challenges in planning for and servicing an increasing population and responding to the changing demands of the community. Major projects identified in community plans could proceed, while capacity to undertake some projects would be enhanced.

Assessment of the City of Cockburn's Proposal 20

against Local Government Advisory Board criteria

Proposal 20 was assessed and rejected by the Board.

From the City of Cockburn proposal:

The aggregation of the two cities by boundary amendment is believed to be in the best strategic interests of the communities comprising the two local governments and businesses operating within Cockburn and Kwinana. This option can be achieved with the least cost, least disruption and more quickly than other alternatives.

Community of interest

This proposed boundary amendment of the City of Cockburn incorporating the City of Kwinana would encompass the majority of the Western Trade Coast Industrial Precinct. The Board acknowledges that both local governments share a focus on the coastal industry strip and incorporating the majority of the industrial precinct in the one local government would deliver benefits to business and clients through coordinated management and planning. Cockburn and Kwinana share similar demographic characteristics and employment profiles and significant population growth to 2050 is expected in both areas. The Board noted the emerging community of interest around the Cockburn Central development which is preserved under this proposal, and this is a significant consideration given the rapid growth and amenities coming on line in this precinct. The proposal does not split additional suburbs and contains the wetland corridors in an enlarged local government. It also incorporates the coastal suburbs where further development is occurring around Port Coogee. Noting the above, the Board considered that overall there would be little impact on communities of interest as a result of the proposed amalgamation.

Physical and topographic features

The boundaries are based on the existing local governments. The suburb of Leeming remains split under this proposal. The management of regional parks and green belt will be predominantly under one local government which would have positive outcomes. The Board would propose a minor amendment to the southern boundary of the proposal. Rather than extend along Office Road to the coast, an alignment along Patterson Road and extending along Charles Street to the coast was seen as a more logical boundary as it did not split any industrial facility. The Board suggested further additional amendments to the City of Fremantle's proposal. The Board

considers it logical for Rottnest Island to be administratively part of the City of Fremantle.

Demographic trends

The Board noted no compelling points of difference in the demographic details of the localities affected by the proposed amalgamation. Rather, there are significant similarities in the socio-economic character of the areas within the current Cities of Kwinana and Cockburn. The capacity of the local government to service the needs of the growing and changing community, including a significant aged population would be strong, particularly given the current level of effort directed by both local governments to community services. The local government would need to have the capacity to deal with significant population growth. The forecast population for 2050 (between 260,000 and 280,000) is indicative of the new infrastructure which will need to be developed.

Economic factors

There is no strategic metropolitan centre in the proposed local government. However the expansion and development growth of secondary activity centres in Cockburn and Kwinana and significant industrial areas will provide considerable economic strength to this local government. Future growth will see ongoing employment opportunities for local communities. The boundary amendment ensures the Western Trade Coast is within one local government which will facilitate better management and coordination of this critical industrial site into the future. There are strong economic linkages between the areas, and the Board considers the strength and commonality of economic factors is a positive dimension for the proposed amalgamation.

The history of the area

In the Board's view, there are no significant differences in the history of the areas affected by the proposed amalgamation to suggest that it should not proceed. The boundary change might be seen by some as contributing to a loss of history, but that history will fundamentally remain. Given the historical connections between the Cockburn and Kwinana localities, the amalgamation is considered by the Board to be a positive outcome. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. The history of the area is not considered a major factor in assessing this proposal.

Transport and communication

Extensive transport planning to facilitate integrated road and public transport is evident within the two local governments. Important issues such as the streamlined development of the grain freight network and the interface with the terminal at Kwinana could be managed and negotiated more effectively between a larger local government and relevant state agencies. The Board considers the potential for greater integration of transport planning in this district around key transport corridors and growth areas will assist residents and local business into the future. The Board considers that the enhanced capacity to advocate for integrated public transport and manage future port development will also be important for this high growth area.

Matters affecting the viability of local governments

As a result of the proposed merger the FSS score of the former City of Kwinana is considerably improved. The proposed amalgamation thus improves parity compared to the existing local governments and would result in increased financial sustainability. Given the financial strength of the proposed local government, derived from its strong commercial and industrial sector, and the potential to address sustainability issues and rationalise some duplicated infrastructure assets, the Board considers that the amalgamation would have a positive outcome. The local government would also have an increased capacity to partner with and advocate and lobby Commonwealth and State governments for funding for priority projects and services. The current operating revenue of the proposed local government totals $172million and operating expenses comprise $158 million. The Board rates the proposal highly on this criterion.

The effective delivery of local government services

The Board believes that the effective delivery of local government services would be maintained and potentially enhanced by the proposed local government, which would have the capacity and resources to deliver services at least to a comparable standard to those currently provided. The Board notes discussions around using the Cockburn administration building as a shared service centre with Fremantle and Melville. In the Board’s view, the proposal is highly consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community. Major projects identified in community plans could proceed, while capacity to undertake some projects would be enhanced.

Assessment of the Cockburn Community Steering Committee's Proposal E1

against Local Government Advisory Board criteria

Proposal E1 was assessed and any recommendations are subject to the outcome of the further public submission periods for Proposals 10 and E1.

From the Cockburn Community Steering Committee proposal:

The aggregation of the two cities by boundary adjustment is believed to be in the best strategic interests of the communities comprising the two local governments and businesses operating within Cockburn and Kwinana. This option can be achieved with the least cost, least disruption and more quickly than other alternatives.

Community of interest

This proposed amalgamation of the City of Cockburn and the City of Kwinana would encompass the majority of the Western Trade Coast Industrial Precinct. The Board acknowledges that both local governments share a focus on the coastal industry strip and incorporating the majority of the industrial precinct in the one local government would deliver benefits to business and clients through coordinated management and planning. Cockburn and Kwinana share similar demographic characteristics and employment profiles and significant population growth to 2050 is expected in both areas. The Board noted the emerging community of interest around the Cockburn Central development which is preserved under this proposal, and this is a significant consideration given the rapid growth and amenities coming on line in this precinct. The proposal does not split additional suburbs and contains the wetland corridors in an enlarged local government. It also incorporates the coastal suburbs where further development is occurring around areas of Port Coogee. Noting the above, the Board considered that overall there would be little impact on communities of interest as a result of the proposed amalgamation.

Physical and topographic features

The boundaries are largely based on the existing local governments. The management of regional parks and green belt will be predominantly under one local government which would have positive outcomes. The Board would propose a minor amendment to the southern boundary of the proposal. Rather than extend along Office Road to the coast, an alignment along Patterson Road and extending along Charles Street to the coast was seen as a more logical boundary as it did not split any industrial facility. The Board suggested further additional amendments to bring

the north-western boundary down to align amendments to the City of Fremantle's proposal. The Board considers it logical for Rottnest Island to be administratively part of the City of Fremantle.

Demographic trends

The Board noted no compelling points of difference in the demographic details of the localities affected by the proposed amalgamation. Rather, there are significant similarities in the socio-economic character of the areas within the current Cities of Kwinana and Cockburn. The capacity of the local government to service the needs of the growing and changing community will be enhanced, notably an increased capacity to service a significant aged population which is a current focus of both local governments. The local government would need to have the capacity to deal with significant population growth. The forecast population for 2050 (more than 250,000) is indicative of the new infrastructure which will need to be developed.

Economic factors

There is no strategic metropolitan centre in the proposed local government. However the expansion and development growth of secondary activity centres in Cockburn and Kwinana and significant industrial areas will provide considerable economic strength to this local government. Future growth will see ongoing employment opportunities for local communities. The boundary amendment ensures the Western Trade Coast is largely within one local government which will facilitate better management and coordination of this critical industrial site into the future. There are strong economic linkages between the areas, and the Board considers the strength and commonality of economic factors is a positive dimension for the proposed amalgamation.

The history of the area

In the Board's view, there are no significant differences in the history of the areas affected by the proposed amalgamation to suggest that it should not proceed. The boundary change might be seen by some as contributing to a loss of history, but that history will fundamentally remain. Given the historical connections between the Cockburn and Kwinana localities, the amalgamation is considered by the Board to be a positive outcome. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. The history of the area is not considered a major factor in assessing this proposal.

Transport and communication

Extensive transport planning to facilitate integrated road and public transport is evident within the two local governments. Important issues such as the streamlined development of the grain freight network and the interface with the terminal at Kwinana could be managed and negotiated more effectively between a larger local government and relevant state agencies. The Board considers the potential for greater integration of transport planning in this district around key transport corridors and growth areas will assist residents and local business into the future. The Board considers that the enhanced capacity to advocate for integrated public transport and manage future port development will also be important for this high growth area.

Matters affecting the viability of local governments

As a result of the proposed merger the FSS score of the former City of Kwinana is considerably improved. The proposed amalgamation thus improves parity compared to the existing local governments and would result in increased financial sustainability. Given the financial strength of the proposed local government, derived from its strong commercial and industrial sector, and the potential to address sustainability issues and rationalise some duplicated infrastructure assets, the Board considers that the amalgamation would have a positive outcome. The local government would also have an increased capacity to partner with and advocate and lobby Commonwealth and State governments for funding for priority projects and services. The current operating revenue of the local government totals $170 million and operating expenses comprise $155 million. The Board rates the proposal highly on this criterion.

The effective delivery of local government services

The Board believes that the effective delivery of local government services would be maintained and potentially enhanced by the proposed local government, which would have the capacity and resources to deliver services at least to a comparable standard to those currently provided. In the Board's view, the proposal is highly consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community. Major projects identified in community plans could proceed, while capacity to undertake some projects would be enhanced.

Assessment of the Minister's Proposal 08/2013

against Local Government Advisory Board criteria

Proposal 08/2013 was assessed and rejected by the Board.

From the Minister's proposal 08/2013:

"The proposal, if implemented, would better align localities with communities of interest links to proposed adjacent districts. The City of Melville is financially strong and sustainable with a significant revenue base, and the proposed boundary changes are expected to strengthen the financial capacity and effectiveness of the City. The district contains the secondary activity centre of Booragoon and the specialised centre of Murdoch."

Community of interest

This proposal is a boundary amendment to the City of Melville together with the Cities of Fremantle, Canning and Cockburn. The communities of interest of Canning residents of Leeming, Rossmoyne, Riverton, Shelley, Willetton, link to the key activity hubs at Booragoon and Bull Creek. It is noted that the school catchment areas of Rossmoyne and Leeming would be entirely in the City of Melville under this proposal. The Canning River suburbs of Rossmoyne and Shelley have foreshore interests in common with Melville. The Canning Vale industrial precinct has a regional catchment which would not necessarily be affected under the proposal. The proposed ceding of Bicton and Palmyra to a City of Fremantle reflects some community of interest links to the west, but these also extend eastwards to neighbouring suburbs such as Attadale in Melville.

The proposal also incorporates into Melville the localities of Coolbellup, North Lake, Bibra Lake and Leeming from the City of Cockburn. Catchment areas around Belliar wetlands would be split across two local governments however interest in protecting and enhancing the wetlands would continue for those community groups in the area. The secondary activity centre of Booragoon and specialist centre of Murdoch provide a strong focus for immediately surrounding suburbs. The suburbs of Samson and O'Connor ceded from Fremantle are likely to be within the catchment of the Fremantle Strategic Centre catchment, but the transfer is supportable given the strength of Stock Road as a boundary. The Board considered that there was compatibility among the residents, communities, and industries.

Physical and topographic features

There are strong boundaries encompassing the Swan River to the north and north-east. The proposed western boundary of Stock Road is considered appropriate. At its southern limit, the boundary from Stock Road follows the freight rail route past the Jandakot Airport and incorporating the SMRC waste facility. The Board noted the proposed boundaries incorporated a number of key service facilities from surrounding local governments.

Demographic trends

The socio-economic composition of the localities within the current City of Melville is considered compatible with areas proposed to be incorporated from Canning, Cockburn and Fremantle. The Board noted a moderate forecast population of 170,000 by 2050, constrained by limited further infill and most of the areas already being established residential. The capacity of the local government to service the needs of the growing and changing community, including a significant aged population would be strong. While the Board's view is that the criterion is met under this proposal, demographic factors are not a major consideration in assessing this proposal.

Economic factors

The Board considered that the focus on the activity centre of Booragoon (secondary) and Murdoch specialist centre delivered economic advantages for the local government under this proposal, reinforcing its capacity to service the needs of the community into the future. The Board noted extensive planned development around Booragoon, Murdoch and the Canning Bridge precinct. The Board recognised that these areas would provide strong economic support for the local government into the future. Jandakot Airport would also provide considerable financial income to assist the City service its community. The proposal would incorporate a major family service centre from Canning and its future operations would be a major consideration. It is noted that a number of other community assets from Canning, Cockburn and Fremantle would be transferred to Melville under this proposal including a library, community hall, club rooms, recreation facilities and council depot. The Board's view is that the general strength in economic factors would be a positive dimension for the proposed boundary amendment.

The history of the area

In the Board's view, there are no significant differences in the history of the areas affected by the proposed boundary change to suggest that it should not proceed. The boundary change might be seen by some as contributing to a loss of history, but that

history will fundamentally remain. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. The proposal brings together areas with some historical ties and a local government with considerable capacity to ensure it is accessible for future communities. The history of the area is not considered a major factor in assessing this proposal.

Transport and communication

The Board noted the potential for greater integration of transport planning in this area around key transport corridors as major arteries become increasingly congested. A more coordinated approach would assist residents and local businesses into the future. Greater capacity to plan for improved access to the Fremantle port would be an improved outcome under this proposal. A key benefit of this proposal is the number of major roads including Leach Highway, South Street and Canning Highway under the jurisdiction of one local government which could deliver improved east/west and north/south transport access. The location of significant public transport and rail infrastructure in one local government offers capacity to advocate better transport links and coordination with surrounding activity centres.

Matters affecting the viability of local governments

Based on the FSS analysis undertaken by WATC, the proposed merger fails to meet the FSS benchmark of 70, and the outcome is a significant decrease on the individual scores of the current Melville and Cockburn. The operating costs for suburbs to be incorporated from the City of Canning generate an annual deficit of $4.7 million and this is a key consideration. It is noted that under this boundary proposal, Melville will also acquire significant community assets, however this is only partly offset by the relinquishing of assets to Fremantle. The operating revenue totals $136 million and operating expenses total $137 million. While the local government would have an increased capacity to partner with and lobby Commonwealth and State governments for funding for priority projects and services, the Board's view is that as the proposal does not meet the financial ratio benchmark for current or asset sustainability the overall outcome on viability is marginal.

The effective delivery of local government services

Based on the FSS analysis undertaken by WATC, the FSS score is marginal. However, given the existing best practice management systems in the City of Melville, there should be capacity to continue to effectively deliver services to its residents. There is a reasonable mix of both residential and commercial activities,

with further commercial development proposed in a number of centres. The Board's view is that the local government should have some capacity to service the community, and address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community, such that the criterion is only marginally met under this proposal. The proposal is somewhat consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community.

Assessment of the Minister's Proposal 09/2013

against Local Government Board criteria

Proposal 09/2013 was assessed and rejected by the Board.

From the Minister's proposal 09/2013:

"The proposal, if implemented, would create a stronger City of Fremantle, with an increased capacity to provide the best possible services to residents in the enlarged district and with the maximum efficiency."

Community of interest

This proposal is a boundary amendment with the Cities of Fremantle, Cockburn and Melville and the Town of East Fremantle. There is a strong community of interest between the residents of Fremantle and East Fremantle and adjacent areas, covering school catchment areas, community groups, cultural and urban heritage and an environmental focus. This is reflected in respective strategic community plan community visions. The plans reflect similar community aspirations and social and environmental values generally. The city of Fremantle is the main activity centre for residents of both East Fremantle and Fremantle and extending the boundary of the City would better reflect the activity centre's catchment area. Demographic characteristics are similar, and both areas are in the same electorates for State and Federal elections. The Board concluded that communities to the south encompassing Hamilton Hill, North Coogee, and the east (Bicton and Palmyra) would not be adversely impacted by a boundary change. The Board is of the view that proposal will not have an adverse impact on the existing communities of interest, but it is likely that these communities of interest will develop even stronger links under a single local government. The service needs of specific communities of interest, such as seniors, would be well served. The capacity of the local government to engage the community would remain strong.

Physical and topographic features

The most significant physical and topographic features are the Swan River and Indian Ocean to the west. The Board considers that it is essential that this local government continue to include the locality of North Fremantle. The proposed eastern boundary of Stock Road is considered appropriate, however heading west the proposed boundary follows local roads and splits Woodman Point Regional Park, putting the camp on the northern side of Jervoise Bay. A positive outcome of this proposal is that the Fremantle Port remains under one local government. The Board

noted the northern boundary should be consistent with the southern boundary agreed to under proposal 12/2013 (see section 6.10). The Board considers it logical for Rottnest Island to be administratively part of the City of Fremantle.

Demographic trends

Similar socio-economic characteristics are shared between the current City of Fremantle and the areas proposed to be incorporated from East Fremantle and Cockburn. The localities from Melville are slightly different in nature, but their addition would provide greater mix and diversity within the City. The population of the City of Fremantle under this proposal would be around 80,000, increasing to 95,000 in 2026 and 115,000 in 2050, such that it would still be one of the smallest metropolitan local governments into the future. The expected population increase in the City of Fremantle over the longer term is likely to be managed more effectively and in a coordinated manner under a larger local government. The Board noted that future potential for infill and sustainable coastal development could facilitate future population growth.

Economic factors

Fremantle is identified as an important strategic centre in Directions 2031 and the City has strategies in place to reinforce its primary centre status. The City of Fremantle has acknowledged that competition from surrounding metropolitan centres such as Booragoon has contributed to economic stagnation. A number of plans propose to enhance the viability of the CBD and provide employment and recreational opportunities into the future. This includes proposals for major capital works in the CBD to build contemporary office space to attract more business and vibrancy into the city centre. A local government with greater capacity is important to support and promote the tourism industry and partner with government agencies to promote Fremantle. The proposal noted that considerable community infrastructure would be transferred to the City of Fremantle and this would need to be taken into account in future financial planning. The proposal consolidates coastal industrial areas which could provide for better land use planning into the future. The Board considers that a consolidated City of Fremantle with greater capacity is necessary to enhance and build the commercial and recreational activity within this iconic centre.

The history of the area

In the Board's view, there are no significant differences in the history of the areas affected by the proposed boundary change to suggest that the change should not proceed. The boundary change might be seen by some as contributing to a loss of

history, but that history will fundamentally remain. Given the historical connections between the City of Fremantle and Town of East Fremantle the merger is considered to be logical. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. The proposal brings together areas with some historical ties and a local government with considerable capacity to ensure that local history is accessible for future communities. The history of the area is not considered a major factor in assessing this proposal.

Transport and communication

Fremantle is a key transport focal point, as a port and railway and major arterial road terminus. Considerable traffic movements are generated by the port and they disperse through the adjoining suburbs to destinations across the metropolitan region and State. The Board noted potential for greater integration of transport planning in this area around key transport corridors and enhanced capacity to advocate for better transport links as major arteries become increasingly congested. A more coordinated approach would assist residents and local businesses into the future. Greater capacity to plan for improved access to the Fremantle port would be an improved outcome under this proposal.

Matters affecting the viability of local governments

The proposed boundary adjustment results in a local government with an FSS score well below the FSS benchmark of 70, but it does improve the position of the City of Fremantle (but not as much as under Fremantle proposal 12). Key factors affecting the viability of the proposed local government include poor operating surplus ratio and asset renewal ratio. Little additional industrial and commercial rates are gained by the City under this proposal relative to the increase in the asset burden. The considerable expenditure related to acquiring a large amount of community assets is not offset by a large revenue stream. The total operating revenue would be $98 million and operating expenditure $99.5 million, with rates comprising 51% of total operating revenue. Given some potential to address sustainability issues and rationalise some duplicated infrastructure assets, the Board considers the proposal would have some potential for positive outcomes.

The effective delivery of local government services

The effective delivery of local government services would be maintained and potentially enhanced by the proposed local government, which would have the capacity and resources to deliver services at least to a comparable standard to those

currently provided. The City of Fremantle is going through a transformational change at present, recognising the impact of competing centres but it will take some time for the City to have a long term sustainable future. A major consideration is the impact of the significant amount of community infrastructure that would be transferred. The local government would be relatively compact in terms of its size and the geographical spread of the population. The Board considers the proposal is consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population. While major projects identified in community plans could proceed, the capacity to undertake other projects would be tested given the additional infrastructure.

Assessment of the Minister's Proposal's 10/2013

against Local Government Advisory Board criteria

Proposal 10/2013 was assessed and rejected by the Board.

From the Minister's proposal 10/2013:

"The proposal, if implemented, would create stronger local governments, with an increased capacity to provide the best possible services to residents in the enlarged district and with the maximum efficiency."

Community of interest

This proposal is a boundary amendment to the City of Kwinana to incorporate the majority of the City of Cockburn. The northern boundary addresses a previous anomaly around the Jandakot Airport, extending further along Roe Highway to take in the whole of the reserve south of Roe Highway. The Board acknowledges that both local governments share a focus on the coastal industry strip and incorporating the majority of the industrial precinct in the one local government would deliver benefits to business and clients through coordinated management and planning. The proposal also confines a majority of the wetlands under the one local government. It incorporates the emerging catchment areas around Cockburn Central and this is a significant consideration given the rapid growth and amenities coming on line in this precinct. Cockburn and Kwinana share similar demographic characteristics and employment profiles and significant population growth to 2050 is expected in both areas. The existing local governments share a vision for sense of community, place and belonging. These visions reflect similar community aspirations. The capacity of the local government to engage the community would remain strong. The service needs of specific communities of interest, such as seniors, would be well served noting priorities placed on this by both local governments. Noting the above, the Board considered that overall there would be little impact on communities of interest as a result of the proposed boundary change.

Physical and topographic features

The current proposed northern boundary along the Roe Highway and railway reflects relatively strong, logical boundaries. However it is noted that Woodman Point would be split between two local governments, and significant wetland areas are also split with the enlarged City of Melville. Adverse effects also included Cockburn's administration centre being excised from this local government and the suburb of Munster being split. The Board considered that if this proposal was to proceed, a

minor boundary amendment would be necessary, to amend the southern boundary of Kwinana with Rockingham, using an alignment along Charles Street to the coast as the boundary. This amendment would ensure that the Kwinana Nickel Refinery is not split between local governments. The Board considers it logical for Rottnest Island to be administratively part of the City of Fremantle.

Demographic trends

The Board noted no compelling points of difference in the demographic details of the localities affected by the proposed amalgamation. Rather, there are significant similarities in the socio-economic character of the areas within the current Cities of Kwinana and Cockburn. The capacity of the local government to service the needs of the growing and changing community, including a significant young population would be strong, particularly given the current level of effort directed by both local governments to community services and to upgrading town centres and encouraging employment. The combined local government would have an aggregate population of 179,000 by 2050 and would have the scale and capacity to deal with the significant population growth expected in the district in the years to come. This would complement the overall population and be compatible with services currently provided.

Economic factors

There is no strategic metropolitan centre in the proposed local government. However the expansion and development growth of secondary activity centres in Cockburn and Kwinana and significant industrial areas will provide considerable economic strength to this local government. Future growth will see ongoing employment opportunities for local communities. The boundary amendment ensures the Western Trade Coast is within one local government which will facilitate better management and coordination of this critical industrial site into the future. There are strong economic linkages between the areas, and the Board considers the strength and commonality of economic factors is a positive dimension for the proposed boundary change.

The history of the area

In the Board’s view, there are no significant differences in the history of the areas affected by the proposed boundary change to suggest that it should not proceed. The boundary change might be seen by some as contributing to a loss of history, but that history will fundamentally remain. Given the historical connections between the Cockburn and Kwinana localities, the boundary amendment is considered to be a

positive outcome. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. The history of the area is not considered a major factor in assessing this proposal.

Transport and communication

Extensive transport planning to facilitate integrated road and public transport is evident within the two local governments. Important issues such as the streamlined development of the grain freight network and the interface with the terminal at Kwinana could be managed and negotiated more effectively between a larger local government and relevant state agencies. The Board considers the potential for greater integration of transport planning in this district around key transport corridors and growth areas will assist residents and local business into the future. The Board considers that the enhanced capacity to advocate for integrated public transport and manage future port development will also be important for this high growth area.

Matters affecting the viability of local governments

As a result of the proposed boundary adjustment the FSS score of the former City of Kwinana is considerably improved. The boundary adjustment thus improves parity compared to the existing local governments and would result in increased financial sustainability The financial strength of Cockburn, currently one of the strongest in the metropolitan area, contributes to the strong FSS position of this local government, which will have the capacity to support the considerable long term growth. Given the financial strength of the proposed local government, derived from its strong commercial and industrial sector, and the potential to address sustainability issues and rationalise some duplicated infrastructure assets, the boundary change is considered likely to generate positive outcomes. The Board considers that the local government would also have an increased capacity to partner with and advocate and lobby Commonwealth and State governments for funding for priority projects and services.

The effective delivery of local government services

The City of Cockburn noted that a splitting of its service delivery network and community assets between Melville and Kwinana would result in potential service gaps. The proposed local government excludes the current Cockburn administrative centre. The Board notes however that the financial strength of an enlarged City of Kwinana is likely to have the capacity to address such service gaps. Consideration would need to be given to whether City of Kwinana has the capacity to accommodate

a significant proportion of the present City of Cockburn staff. Board notes discussions around using the Cockburn administration building as a shared service centre with Fremantle and Melville The Board believes that the effective delivery of local government services would be maintained by the proposed local government, which would have the capacity and resources to deliver services at least to a comparable standard to those currently provided. The proposal is consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community. Major projects identified in community plans could proceed, while capacity to undertake some projects would be enhanced.

Review and conclusion

The Board had five local government proposals, three ministerial proposals and an electors proposal to consider in relation to the south-western quadrant of Metropolitan Perth. The Board considered that the phased approach initially proposed by the City of Melville was difficult to assess overall and did not align with the Government's objectives for implementing reform. Nevertheless, the Board considers that all proposals have to some degree some potential to generate positive outcomes.

After conducting its Inquiries into these proposals, with the sometimes overlapping or competing territories, the Board has concluded that the following proposals were closest to the 'best' local government boundaries for this subregion within the Perth metropolitan region:

- Proposal E1 Cockburn Community Steering Committee (as amended)
- Proposal 10 City of Melville (2) (as amended)
- Proposal 12. City of Fremantle (as amended)

In combination, the Board considers that these proposals would deliver the most benefits for local government and communities in the south-west metropolitan region. The Board published its intended recommendations in respect to proposals E1 and 10 to seek more information and provide a further opportunity to comment. (Where the Board proposes to make a recommendation that it deems to be significantly different from the proposal into which it formally inquired, Schedule 2.1 clause 6(2) of the Act requires that the Board undertake a further submission period).

Proposal 12. City of Fremantle (as amended)

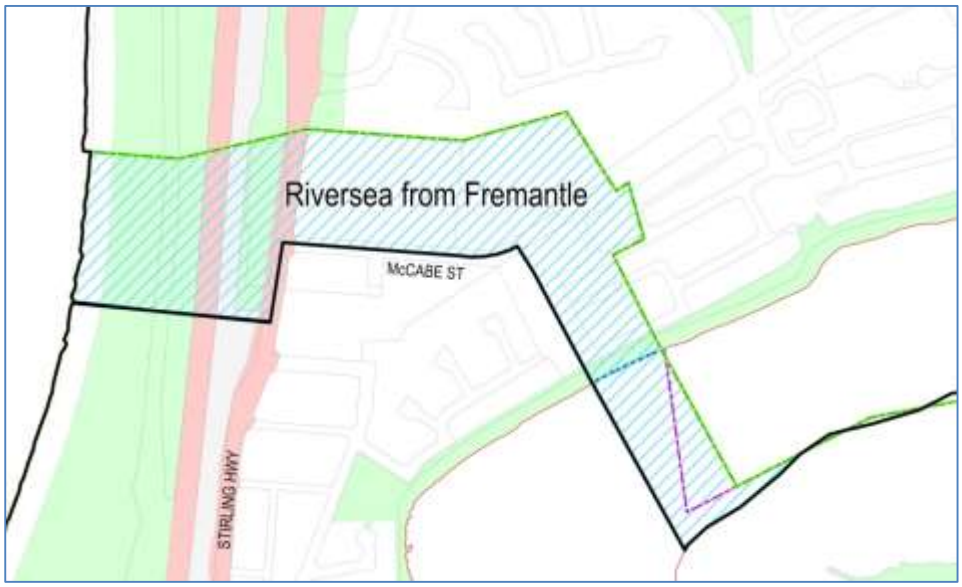
The Board considered that the City of Fremantle proposal 12 was the preferred proposal, however boundary adjustments were required. The Board accepted Proposal 12 submitted by the City of Fremantle with the following boundary modification:

1. amending the northern boundary with the Town of Mosman Park to an alignment following McCabe Street to the Leighton Beach footbridge overpass (Figure 16).

The Board resolved that this amendment was not a significant modification to Proposal 12 and therefore no further public submission period would be necessary. The Board considered that there were considerable advantages to a modified Proposal 12 which could deliver long term benefits to the communities of East

Fremantle and Fremantle and the broader population in recognition of Fremantle's regional status.

Figure 16 - Transfer from City of Fremantle to the City of Riversea



The Board noted the WATC financial sustainability assessment ranked Proposal 12 as more financially sustainable than the similar Minister's Proposal 09/2013. At 75 / 76, the Board's amended proposal 12 was even more well positioned. The Board acknowledged Fremantle's identification as a strategic activity centre as a critical factor in assessing the merits of Proposal 12 and the ability of a local government under this Proposal to deliver the objectives as outlined in *Directions 2031 and Beyond*. The communities that identify and align with the port City identified more strongly under Proposal 12, evident in the similar values and community aspirations of the local governments of Fremantle and East Fremantle, compared with City of Melville.

The Board recognised the future in-fill of Fremantle and the higher densities possible under Directions 2031 will generate economic activity and the further critical mass necessary to build Fremantle as a strategic activity centre. The Board saw opportunities and benefits related to building the capacity of the City of Fremantle such that CAT bus services, economic development etc., could potentially be extended across the wider area. The Board's view is that the increased capacity generated from the merging the two local governments and amending the southern boundary will contribute to building a City of Fremantle with greater capacity to plan holistically for the port area and the suburbs with similar heritage characteristics and community values.

Intended recommendation for Cockburn Community Steering Committee Proposal E1

The Board considered that the Cockburn Electors Proposal E1 for an amalgamation of the Cities of Cockburn and Kwinana as presented was closest to the 'best' local government boundaries for this area however some adjustments were desirable. The Board's intended recommendations in respect of the Cockburn Electors Proposal E1 included the following boundary modifications:

1. amending the southern boundary with the City of Rockingham to an alignment along Patterson Road and extending along Charles Street to the Indian Ocean (to the south of the nickel refinery).
2. amending the northern boundary with the City of Fremantle to an alignment with Janson Road to McTaggart Cove (to the north of the abandoned power station).
3. amending the northern boundary with the City of Melville to align with the freight railway line from the current City of Canning and City of Melville boundary to Erceg Road then north along Shallcross Street to Stock Road. It then follows Stock Road north to Phoenix Road. The effect of this amendment is to excise Coolbellup, Leeming and North Lake to the enlarged City of Melville under an amended Proposal 10.

Refer to Appendix 3 for a map of the Board's intended recommendations.

The Board's rationale for its intended recommendation included:

Community of interest

The area includes the majority of the Western Trade Coast Industrial Precinct. Cockburn and Kwinana share similar demographic characteristics and employment profiles and significant population growth to 2050 is expected in both areas. The emerging community of interest around the Cockburn Central development was noted.

Physical and topographic features

The boundaries were largely based on existing boundaries. Where new boundaries were proposed they followed major features including the freight railway, Stock Road and Phoenix Road. The management of regional parks and wetlands would be predominantly under one local government.

Demographic trends

The capacity of the local government to service the needs of the growing and changing community would be strong. The population would be around 125,000, and forecast to grow to around 225,000 by 2050.

Economic factors

The expansion of secondary activity centres in Cockburn and Kwinana and significant industrial areas will provide considerable economic strength. There are strong economic linkages between Cockburn and Kwinana, and the Board considers the strength and commonality of economic factors is a positive dimension for the proposed amalgamation.

The history of the area

Historical connections between Cockburn and Kwinana were noted.

Transport and communication

Important issues such as the streamlined development of the grain freight network and the interface with the outer harbour development and terminal at Kwinana could be managed more effectively.

Matters affecting the viability of local governments

The FSS score of the City of Kwinana area would be considerably improved under the recommendation. Financial sustainability would be increased.

The effective delivery of local government service

The effective delivery of local government services would be maintained and enhanced.

Submissions to the Local Government Advisory Board

for intended recommendation 1 for Proposal E1

Submissions were provided to the Board during the advertised public submission periods by local governments, industry groups, local businesses and affected ratepayers. A summary of these submissions is detailed below. Note the following summaries are the position put forward by those making the submission.

With a view to determining the best possible boundaries for this proposal, the Board published its intended recommendation to seek more information and provide a further opportunity for the public and stakeholders to comment.

Table 140 - Submissions on the Board's intended recommendation for Proposal E1

Origin of submissions	Number of submissions	
	Proposal E1 (amended)	
	For	Against
Local governments	1	2
Stakeholders	0	32
Individuals	54	320
Totals	**55**	**354**

While 54 public submissions indicated support for Proposal E1 (as amended), the supporting comments mostly seemed to reject any change to the status quo, or any modification to a simple 'Cockburn-Kwinana' merger. The public submissions against the proposal generally reflected the publicly stated views of the Cockburn Community Steering Committee.

Submissions from local governments

A submission from City of Cockburn staff expressed concern with different communities of interest between suburbs proposed to be incorporated into Melville and the effect this may have on service delivery (especially those targeted at disadvantaged residents), in particular the Coolbellup Hub. The staff noted the level of disruption that a proposed boundary amendment has had on their workplace compared with the opportunities a simple amalgamation could have delivered.

The City of Fremantle argued in its submission that the Board's recommendations recognised a close relationship between the southern localities of Fremantle and the northern localities of Cockburn (particularly Hamilton Hill, which it considers strongly linked to Hilton). The City suggested that the expansion of the Fremantle district proposed by the Board, and indeed its preference for future expansion to incorporate localities such as Coogee, Munster and Spearwood, is essential to its viable development as a Secondary Strategic Centre under the State planning framework.

The City also noted that the Cockburn Coast industrial development is under the control of Landcorp, which has indicated its preference for the entire precinct to be situated in one local government for coordinated planning and development.

The City of Kwinana opposed the north western boundary with the City of Fremantle on the basis that it would split this precinct. Kwinana's suggested north western boundary is Woodman Point, with coastal development on the northern side of the point and Western Trade Coast to the south. The City believes this boundary would facilitate the City of Fremantle managing the residential, marina and recreation portion of the coast, with the City of Kwinana responsible for the bulk of the Western Trade Coast.

Submissions from community

The Cockburn Community Committee, as with the Bibra Lake Residents Association, opposes the loss of northern parts of the current Cockburn district to the City of Melville on the basis that it considers the entire district's community of interest to align more readily with that of Kwinana. The Committee considers Bibra Lake to be particularly linked to Cockburn both in terms of its residential community and its association with the Cockburn Wetlands. (Continued environmental management of this region by a Cockburn local government was cited as a primary concern of both the Save Beeliar Wetlands Group and the Wetlands Conservation Society).

The Community Committee's preference is for Cockburn to retain its current localities. In terms of potential losses to Melville, the Committee would prefer that Cockburn cede North Lake East and Jandakot Airport rather than Bibra Lake. At most, the Committee would support a southern extension of Melville's boundary to the Roe Highway road reserve. The stated reason for these preferences is to minimise the residential population impacted by a move from one district to another.

A number of community organisations, residents associations and sporting clubs from the northern Cockburn district, ranging from the Coogee Beach Progress Association and Harvest Lakes Residents Association to the Cockburn Rotary Club and City of Cockburn Returned and Services League, made similar submissions against the amended Proposal E1. Generally, they all shared the view that, while the Bibra Lake industrial and community areas were pivotal to the northern part of the Cockburn district, there could be scope for the Roe Highway road reserve to form a logical boundary that cedes some territory to the City of Melville. A number of organisations expressed concern at the loss of community facilities for the Cockburn district from ceding localities such as Hamilton Hill and Spearwood.

They also argued that amendments to both Proposals 10 and E1 would diminish the financial capacity of a simply amalgamated 'Cockburn-Kwinana', though support was commonly suggested for the ceding of the Jandakot Airport precinct to Melville.

None of these submissions objected to the inclusion in Proposal E1 of an area of the City of Rockingham.

Several community service organisations, such as Burdiya Aboriginal Corporation, Rocky Bay Employment Services and Bethanie Group, expressed concern that service facilities and programs currently supported in the north of Cockburn, particularly in Coolbellup, would be fragmented and potentially lose current levels of support as provided by the City of Cockburn.

The Kwinana Industries Council (KIC) identifies a community of interest for all industrial firms and associated businesses that form the Western Trade Coast (WTC), which includes the Australian Marine Centre in the City of Cockburn, all of the Kwinana strip in the City of Kwinana and the businesses further south in the Rockingham Industrial Zone. The KIC contends that this is a community of interest with State significance. While it supports the Board's amended Proposal E1 on the basis of its consolidation of Cockburn and Kwinana, it suggests that the boundaries need to extend further south to take in the Rockingham Industrial Zone and thereby preserve the community of interest of the WTC.

Review

Based on the feedback received during the third consultation period (23 July – 14 August) for the Board's intended recommendation for Proposal E1, and in light of further analysis, the Board resolved to further amend the boundaries of this proposal with the following boundary modifications:

1. amending the southern boundary with the City of Rockingham to an alignment along Patterson Road and extending along Charles Street to the Indian Ocean (to the south of the nickel refinery).
2. amending the northern boundary with the City of Fremantle to an alignment along the Roe Highway road reservation from Stock Road, then southwards to Cockburn Road to encompass the area within the Cockburn Coast Structure Plan.
3. amending the northern boundary with the City of Melville to align with the Roe Highway road reservation and Roe Highway to Karel Avenue and then around the Jandakot Airport to the point where it meets the current City of Cockburn and City of Melville boundary.

The Board's amendments were deemed significant and a further public submission period (30 August – 15 September) was undertaken at the time this report was being finalised.

Intended recommendation for the City of Melville's Proposal 10

The Board considered that all relevant proposals have the potential to generate some positive outcomes. The Board considered that the City of Melville proposal 10 was closest to the 'best' local government boundaries for this area; however some boundary amendments were desirable. The Board's initial intended recommendations in respect of the Melville Proposal 10 included the following boundary modifications:

1. amending the proposed eastern boundary with the City of Canning to the existing boundary between the City of Canning and Melville, except for the area of the suburb of Leeming currently located in the City of Canning.
2. amending the southern boundary with the City of Cockburn to follow the freight railway line from the current City of Canning and City of Melville boundary to Erceg Road then north along Shallcross Street to Stock Road (effectively excluding Jandakot Airport from Proposal 10)

Refer to Appendix 3 for a map of the Board's intended recommendations.

The Board's rationale for its intended recommendation included:

Community of interest

The secondary centre of Booragoon and specialist centre of Murdoch provide a strong activity focus for surrounding suburbs. The Board considered there to be multiple and overlapping communities of interest in the area.

Physical and topographic features

Where new boundaries were considered they mainly followed major features including the freight rail line and Stock Road and address the Leeming boundary anomaly.

Demographic trends

The socio-economic makeup of areas within the current City of Melville was considered compatible with areas proposed to be incorporated. The Board noted a moderate forecast population of 149,000 by 2050.

Economic factors

The focus on the activity centre of Booragoon (secondary) and Murdoch specialist centre delivered economic advantages for the local government. The incorporation of additional industrial areas (Bibra Lake, part O'Connor) would further assist.

The history of the area

There were no significant differences in the history of the areas affected by the proposed boundary change.

Transport and communication

The enlarged local government offers potential for greater capacity to advocate better transport links and coordination with surrounding activity centres, particularly in the context of the proposed Roe 8 extension.

Matters affecting the viability of local governments

While the FSS is lower at 72 / 75 than the existing Melville, the WATC considers that the ratios are still reasonably strong and representative of a financially viable local government.

The effective delivery of local government services

The effective delivery of local government services would be maintained and enhanced; the local government would have the capacity to service the community, and address the challenges in planning for and servicing an increasing population.

Submissions to the Local Government Advisory Board

for intended recommendation 1 for Proposal 10

With a view to determining the best possible boundaries for this proposal, the Board published its intended recommendation to seek more information and provide a further opportunity for the public and stakeholders to comment.

Submissions were provided to the Board during the advertised public submission periods by local governments, industry groups, local businesses and affected ratepayers. A summary of these submissions is detailed below. Note the following summaries are the position put forward by those making the submission.

Table 141 - Submissions on the Board's intended recommendation for the City of Melville's Proposal 10

Origin of submissions	Number of submissions	
	Proposal 10 (amended)	
	For	Against
Local governments	2	2
Stakeholders	0	2
Individuals	1,703	1,405
Totals	1,705	1,409

Over 90 per cent of submissions in support of Proposal 10 (as amended) came from residents of Canning. The overwhelming majority expressed support for retention of the current Canning district, endorsing the amended Proposal 10 to the extent that it potentially allowed for this scenario. Just under five per cent were from residents of Bicton and Palmyra wishing to move to the Fremantle district.

Of those against the amended proposal, around 50 per cent were from the localities of Riverton, Rossmoyne, Shelley and Willetton. These submissions either expressed a preference for being moved to a Melville district, or supported the retention of the status quo but opted for Melville in preference to a 'Canning-Gosnells' district. Almost 50 per cent of those against the proposal were from Bicton and Palmyra, opposing a move to Fremantle.

Submissions from local governments

The City of Canning supported the amendments to Proposal 10 on the basis that the resulting Melville district was not perceived to compromise Canning's own continuation as an independent entity. The City reiterated its view that the Canning district in its entirety represents a strong community of interest whose residents wish to continue being served by the current local government. The City expressed concern that loss of localities to an expanded Melville district would have placed the administrative centre of Canning's community service delivery in another district, and risked the loss of services themselves should Melville choose not to continue them. It also cited the potential loss of recreation and leisure programs at the Riverton Activity Centre should Melville be reluctant to take on the Riverton Leisureplex and Library currently operating at a deficit. The City supported any modification to

Proposal 10 which results only in the Leeming anomaly being ceded from Canning to Melville.

The City of Fremantle also made a submission in support of the amended proposal, contending that as a regional strategic centre, it has a wider community of interest than its current boundaries reflect. It argued that Bicton and Palmyra are logical additions to its district and that residents of these areas already access a range of services and facilities provided by the City.

The City of Gosnells made a submission against the amended proposal, though it supports the view that communities of interest appear stronger between the western suburbs of Canning (Riverton, Rossmoyne, Shelley and Willetton) and the City of Melville. The City's opposition was based more on opposition to the proposed boundary, with its submission suggesting a boundary that would not split Riverton. In general, the City supports the view that Canning should be split between neighbouring local governments.

The City of Melville noted that surveys in the localities around Riverton have indicated that, in the event of changes to their current Canning district, residents of those areas would prefer to be aligned with Melville than with Gosnells.The City also argued that a community of interest exists between areas such as Bibra Lake and the wider Melville district. It argued that this would be enhanced by a shared local government that could strengthen links between these localities and key strategic precincts for which they form part of the community catchment, such as the Murdoch Activity Centre.

The City noted that the amended Proposal 10 would to some extent give Melville a more equitable share of regional commercial-industrial precincts in comparison to neighbouring districts. However, it expressed concern that its proposal as amended would not provide the revenue base to resolve current infrastructure funding issues for precincts such as the Murdoch Centre, largely occupied by non rateable entities. It argued that inclusion of the Jandakot Airport precinct in its district was essential to achieving current and future equity with neighbouring local governments.

The Southern Metropolitan Regional Council's submission focused on supporting a boundary along the freight railway line which locates its facility within the City of Melville.

Submissions from community

Dr Mike Nahan MLA, State Member for Riverton, argued against the removal of the localities of Parkwood, Riverton, Rossmoyne, Shelley, Willetton and the Canning

Vale industrial area from Proposal 10 because he considers it an indication that these localities will be allocated to a 'Canning-Gosnells' local government. He contends that, in the event of Canning being abolished, his electors consider themselves to be more aligned with the Melville district, gravitating towards its community facilities and using Melville localities such as Booragoon for their commercial and retail needs, rather than Cannington. He also considers these areas more aligned with Melville in terms of catchments for educational and community related activities.

Hon Dean Nalder MLA, State Member for Alfred Cove, argues that much of Melville's community focus in its western district is historically and geographically concentrated in the Bicton locality, which incorporates community assets that provide a sense of identity to the Melville community as a whole. Included with Mr Nalder's submission was a petition from 225 Bicton residents which he states is indicative of the community's sense of connection to Melville.

The Bibra Lake Residents Association opposes the Board's suggested amendments to Proposals 10 and E1 on the basis that community linkages in Bibra Lake exist with the Cockburn district rather than Melville, both through community catchments and its environmental management as part of the Cockburn Wetlands. The Association believes that amendments to both Proposals 10 and E1 would diminish the financial capacity that would be delivered by a simply amalgamated 'Cockburn-Kwinana'.

A number of northern Cockburn clubs and residents associations opposed suggested amendments to Proposals 10 and E1 because they ceded localities with community linkages to the City of Cockburn.

Based on the feedback received in the consultation period on the intended recommendation, and in light of the analysis and feedback in the previous consultation periods, the Board decided to further amend the proposed boundaries.

Review

Based on the feedback received during the third consultation period (23 July – 14 August) for the Board's intended recommendation for Melville's Proposal 10, and in light of further analysis, the Board has resolved to further amend the boundaries of this proposal with the following boundary modifications:

1. amending the proposed eastern boundary with the City of Canning to an alignment following Leach Highway (from the Shelley Bridge), Vahland

Avenue, South Street/Ranford Road, freight railway line to Clifton Road and the Jandakot Airport lands.

2. amending the southern boundary with the City of Cockburn to follow around the Jandakot Airport lands to the point where it meets Karel Avenue and the Roe Freeway and along the Freeway to Stock Road.
3. amending the western boundary with the City of Fremantle to Stock Road as far as Reserve Street Bicton, and then along the southern boundary of the Point Walter Reserve/Golf Course to the Swan River.

The effect of these boundary modifications is to add the suburbs of Coolbellup, Canning Vale (part), Jandakot (part), Leeming (part), North Lake, O'Connor (part), and Samson, and to cede the suburbs of Bicton (part) and Palmyra.

The Board's amendments were deemed significant and a further public submission period (30 August – 15 September) was undertaken at the time this report was being finalised.

Conclusions and recommendations

Based on the feedback received during the consultation period (23 July – 14 August) on the Board's intended recommendations for Proposal 10 and E1 (as amended by the Board) and in light of further analysis, the Board resolved to further amend the boundaries of these proposals.

The Board's amendments for Proposals E1 and 10 were deemed significant and a further public submission period (30 August – 15 September) was undertaken at the time this report was being finalised. Consequently, the Board is unable to make a recommendation on the City of Melville, the Cities of Cockburn and Kwinana and the City of Fremantle and the Town of East Fremantle. The Board will release an addendum to this report detailing its recommendation to the Minister for Local Government for the boundaries of these affected local governments by late September 2014.

6.9 Inquiries into proposals affecting the City of Armadale and Shire of Serpentine Jarrahdale

Overview of relevant proposals

This section presents the findings of the Board's Inquiries into proposals affecting the City of Armadale and the Shire of Serpentine Jarrahdale.

Primary:

5. City of Armadale Proposal: Boundary adjustment, inclusion of the northern part of the Shire of Serpentine Jarrahdale into the City of Armadale.

11/2013 Minister's Proposal: Boundary adjustment, inclusion of the northern part of the Shire of Serpentine Jarrahdale into the City of Armadale.

21. Shire of Serpentine Jarrahdale Proposal: Boundary adjustment, inclusion of small portions of territory from the adjoining local government areas of Armadale, Kwinana, Rockingham and Wandering.

Table 142 - Proposals to Local Government Advisory Board affecting the City of Armadale and Shire of Serpentine Jarrahdale

Proposal number	Proposal name	Population estimate	Revenue estimate
5	City of Armadale Proposal	92,740	Not stated
21	Shire of Serpentine Jarrahdale Proposal	Not stated	Not stated
11/2013	Minister's Proposal – City of Armadale and Shire of Serpentine Jarrahdale	80,280	$87.6m

Context

This south-eastern quadrant of the Perth metropolitan area is a region of diversity ranging from the older foothills suburb of Kelmscott in the north, the hills villages of Jarrahdale and Bedfordale to the south east, the developing suburbs of Harrisdale and Piara Waters and the historic townsites of Mundijong and Serpentine. The area includes significant rural zones (including equine, poultry and dairying), as well as areas of national parks, water catchments and part of the upper reaches of the Peel-Harvey river systems. The City of Armadale and the Shire of Serpentine Jarrahdale are located in the Perth metropolitan region for planning and other purposes, although Serpentine Jarrahdale is also located in the Peel region for regional

development and environmental management. The Armadale and Minister's proposal have implications for the Shire of Murray which is located outside of the Perth Metropolitan Region, in the Peel region.

5. City of Armadale Proposal

The City of Armadale Proposal 5 involves absorption by the City of the northern portion of the Shire of Serpentine Jarrahdale (north of Mundijong Road). The submission further proposes that the southern portion of the Shire of Serpentine Jarrahdale be transferred to the Shire of Murray. The proposal would bring the governance and oversight of the Mundijong and Byford growth areas under the auspices of the Armadale City Council which has significant experience in urban growth, development and service provision. The City of Armadale estimates that the additional area would increase in the City's population by 13,135 (2013 estimate). The proposal would also add 250 km^2 to the City's area.

The localities of the Shire of Serpentine Jarrahdale which would be transferred to the City of Armadale include Oakford, Darling Downs, Byford, Cardup, Oldbury, Mundijong, Whitby and Karrakup. The localities of Mardella, Jarrahdale, Hopeland, Serpentine and Keysbrook are proposed to be transferred to the Shire of Murray. It is estimated that the Shire of Murray population would increase from 16,200 to 20,600.

The City of Armadale considers that it has community of interest with the rapidly urbanising northern part of Serpentine Jarrahdale. The growing neighbourhoods of Mundijong and Byford are said to be part of the social, commercial, retail and governance 'catchment' of the Armadale strategic metropolitan centre.

21. Shire of Serpentine Jarrahdale Proposal

The Shire of Serpentine Jarrahdale boundary change proposal 21 is for boundary amendments to add relatively small portions of territory from the adjoining local government areas of Armadale, Kwinana, Rockingham and Wandering. It is estimated that the area of Shire of Serpentine Jarrahdale would increase by 111 square kilometres (to 1,106 km^2). The proposed boundary amendments are:

- Extending the northern boundary along Rowley Road to the western edge of the Jandakot mound. This would transfer an area of land (Wandi) from the City of Kwinana to the Shire of Serpentine Jarrahdale.
- Extending the western boundary south along the western border of the Jandakot mound to its most southern point to Orton Road. This would transfer

parts of the localities of Anketell, Casuarina and Wellard from the City of Kwinana to the Shire of Serpentine Jarrahdale.

- Extending the western boundary to Kwinana Freeway along the Alcoa railway line.
- Extending the western boundary further south along the Kwinana Freeway to the Shire of Murray boundary. This would transfer parts of the localities of Baldivis, Karnup and Keralup from the City of Rockingham to the Shire of Serpentine Jarrahdale.
- Incorporating an area of the Shire of Wandering (Mount Cooke Reserve) on the western edge of Albany Highway.
- Incorporating a small portion of land in the locality of Wungong (adjoining Darling Downs) and the locality of Bedfordale (adjoining Karrakup) from the City of Armadale.

The Shire submits that the management and protection of the Serpentine River would be enhanced by having the Serpentine River Catchment within the one local government. The boundary amendments would enhance sustainability issues for the Shire by potentially diversifying its rates base, and for State land-use planning purposes enhance management of internationally and economically important wetlands. The Shire also states that the portions of land from the City of Armadale are already being serviced by the Shire of Serpentine Jarrahdale.

11/2013 Minister's Proposal

The Minister for Local Government's proposal is consistent with the City of Armadale's proposal; the same boundaries are proposed. The Minister for Local Government's boundary change proposal 11/2013 is for a significant boundary change to the City of Armadale to absorb the northern portion of the Shire of Serpentine Jarrahdale (north of Mundijong Road). The proposal further proposes that the southern portion of the Shire of Serpentine Jarrahdale be transferred to Shire of Murray.

Under the Minister's Proposal (and Armadale's Proposal 5), the Shire of Serpentine Jarrahdale is proposed to be abolished as its territory is split with two local governments. The City of Armadale would be the continuing local government, as it contains the strategic activity centre.

The proposal separates the rural southern part of the Shire of Serpentine Jarrahdale from the more developed and fast growing areas of Byford and Mundijong. The proposal retains the strong rural focus in the south and acknowledges that residents

there associate closely with the Peel region. The proposal brings together high growth areas with strong housing growth and infrastructure investment. Residents in the northern part of Serpentine Jarrahdale rely on the activity centre of Armadale for commercial, medical and transport needs.

Common elements and points of difference of the proposals

The Armadale proposal and the Minister's proposal are identical, in that the Shire of Serpentine Jarrahdale would be abolished and its territory split between the City of Armadale and the Shire of Murray.

The Shire of Serpentine Jarrahdale submission is a totally different proposal, maintaining the existence of the Shire and only suggesting relatively minor boundary amendments that would result in a small increase in its population and territory.

Current Situation

Historical background and local government boundary changes

The original inhabitants of the Armadale area were the Noongar Aboriginal people. The City of Armadale has its origins in the Kelmscott Road Board formed in 1894. It was renamed the Armadale-Kelmscott Road Board in 1910, becoming the Armadale-Kelmscott Shire in 1961, the Town of Armadale in 1979, and the City of Armadale in 1983. The present Shire of Serpentine Jarrahdale has its origins in the 1913 amalgamation of the Serpentine (formed 1896) and Jarrahdale (1902) Road Districts. The Byford area was transferred from Armadale to the Shire of Serpentine Jarrahdale in June 1977. [105] The Murray Road District was one of the original local governments established in 1871. It underwent some changes as territory was transferred on the formation of other Road Districts including the Serpentine and Jarrahdale Road Districts.

The Armadale and Serpentine Jarrahdale districts have long been connected communities. For example, the opening of the Armadale high school in the 1950s and the Armadale hospital in 1964 cemented this linkage which remains today. Byford was transferred from Armadale to Serpentine Jarrahdale in 1977. Local government boundaries have largely remained relatively stable in the Perth metropolitan area in the last 100 years or so, giving rise to a number of boundary reviews. Some of these reviews made recommendations for the amalgamation of Armadale and Serpentine Jarrahdale.

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[105] Municipality Boundary Amendments Register, Release 4.0, 31 July 2011

Table 143 - Vital Statistics for the City of Armadale, Shires of Serpentine Jarrahdale and Murray and Proposals 5 and 21

Vital statistics	Armadale	Armadale Proposal 5	Serpentine Jarrahdale	Serpentine Jarrahdale Proposal 21	Murray	Murray (under Armadale Proposal 5)
Area (land) (sq km)	559.9	810	904.1	1,106	1,710.0	2,364
Population (2013)	73,725	90,059	21,162	25,724	16,304	21,132
Average annual growth 2007/2012	5.8%	No data	8.1%	No data	3.6%	No data
Population density (sq.km.)	131.7	111.2	23.4	23.2	9.5	8.9
Dwellings	27,586	29,122	7,215	No data	6,218	8,318
Value of building activity *$m	$385m	No data	No data	No data	No data	No data
Length of sealed roads (km)	681.7	980	607	No data	474	882
No. Employees	476	No data	99	No data	118	No data
Residents per employee	145.5	No data	201.9	No data	131.3	No data
Total rate revenue ($)*	$46,017,060	No data	$14,413,560	No data	$11,836,405	No data
Total operating revenue ($)*	$83,323,860	No data	$22,523,022	No data	$19,233,581	No data
Total operating expenditure	$84,543,400	No data	$24,258,007	No data	$22,773,140	No data
Total rate revenue per capita	$664	No data	$721	No data	$764	No data
Total operating revenue per capita ($)	$1,203	No data	$1,127	No data	$1,241	No data

Vital statistics	Armadale	Armadale Proposal 5	Serpentine Jarrahdale	Serpentine Jarrahdale Proposal 21	Murray	Murray (under Armadale Proposal 5)
Total operating expenditure per capita ($)	$1,221	No data	$1,214	No data	$1,470	No data
Rates as % of operating revenue	55.23%	No data	63.99%	No data	61.54%	No data
Residential rates % of rates	No data	No data	48.05%	No data	No data	No data
Commercial rates % of rates	No data	No data	3.58%	No data	No data	No data
Rural (UV) rates as % of rates	1.74%	No data	45.61%	No data	24.04%	No data
Average residential rate per assessment 2012/13* ($)	$1,280^	No data	$1,274	No data	$1,096	No data

Source: various, including ABS and information returns to WA Local Government Grants Commission *Based on 2013-14 annual budget. ^ 2010/11 figure

Proposals previously considered by the Local Government Advisory Board

The Board received a proposal in 2009 from electors of the Shire of Serpentine Jarrahdale requesting that the Board transfer the locality of Keysbrook from the Shire of Serpentine Jarrahdale to the Shire of Murray. The Board recommended that the proposal be rejected on the basis that there was insufficient justification to support the boundary amendment between the Shire of Serpentine Jarrahdale and the Shire of Murray.

Regional cooperation

Regional cooperation in the area is relatively strong. The City of Armadale and the Shires of Serpentine Jarrahdale and Murray are both members of the Rivers Regional Council for regional waste management. The City of Armadale is a member of the South-East metropolitan zone of WALGA. The Shires of Serpentine Jarrahdale and Murray are in the Peel Zone. The City of Armadale and Shire of Serpentine Jarrahdale are both members of the Metropolitan Regional Road Group (28 other members). The Shire of Murray is a member of the South West Regional Road Group. The City of Armadale is a member of the Perth Airport Municipalities Group along with 11 other local governments, including the Cities of Canning and Gosnells. Serpentine Jarrahdale and Murray are both included in the Peel region for regional development (Regional Development Australia and Peel Development Commission) and natural resource management (Peel-Harvey catchment). Armadale, Serpentine Jarrahdale and Murray have separate Local Emergency Management Committees (LEMCs). Coordination of bushfire control is a key issue in this area.

Demographic Characteristics and Trends

Population growth across the City of Armadale and the Shire of Serpentine Jarrahdale is expected to be at a higher rate (65%) than for metropolitan Perth as a whole, with more than 50,000 residents to be added by 2026. The highest percentage growth will be in Serpentine Jarrahdale, but numerically the increase will be larger in Armadale.

Table 144 - Local Government population 2006 to 2026

Local Government	Estimated Population	Projected Population*						
	2006	2011	2016	% Growth from 2011	2021	% Growth from 2011	2026	% Growth from 2011
Armadale (C)	52,732	65,281	73,600	12.7%	83,600	28.1%	93,400	43.1%
Serpentine Jarrahdale (S)	12,629	14,700	24,700	68.0%	31,500	114.3%	38,300	160.5%
Armadale - Serpentine Jarrahdale	65,361	79,981	98,300	22.9%	115,100	43.9%	131,700	64.7%
Murray (S)	13,354	18,474	20,700	12.0%	25,100	35.9%	29,400	59.1%
Metro Perth	1,522,500	1,752,500	1,939,500	10.7%	2,105,700	20.2%	2,276,900	29.9%

*Source: Western Australian Planning Commission (2012) WA Tomorrow (Band C projections)
http://www.planning.wa.gov.au/dop_pub_pdf/PlanningSummary.pdf

The Board considered detailed demographic information in respect of the proposals, drawing on the analysis it commissioned.[106] Data from the 2011 Census suggests that there are some similarities between the demographics of these adjoining local governments. The age profile of the local governments reflects a younger population than that of metropolitan Perth. While the population in the area is younger than Perth as a whole, Armadale has more single parent families, unemployed and indigenous persons and lower household incomes compared to Serpentine Jarrahdale. Armadale's resident population has a relatively low level of education attainment compared to Perth as a whole. Only 11% of the City of Armadale's resident population hold a Bachelor or Higher Degree compared to 20% for metropolitan Perth, and almost half of Armadale's population (47.9%) hold no formal tertiary education qualification. Armadale and Serpentine Jarrahdale have similar demographic profiles, particularly in terms of the qualifications, occupation and income of residents. Armadale has a relatively high proportion of residents qualified with a vocational qualification, and technicians and trades workers account for the largest share of occupations for City of Armadale residents, accounting for 19% of the total compared to 16% for metropolitan Perth. Armadale is also home to a proportionally greater number of labourers and a relatively low number of managers and professional workers.[107] The largest sectors for industry employment in Armadale are located in the Health Care and Social Assistance sector (18.1%), followed by Retail Trade (16.7%) and Education and Training (14.1%). Compared to the Perth metropolitan average, the City of Armadale has a higher proportion of its resident workforce employed in the Manufacturing, Construction, Transport, Postal & Warehousing and Retail Trade sectors.[108]

These differences flow on to the higher level of socio-economic disadvantage in Armadale compared to Serpentine Jarrahdale. Demographic factors are not considered a major factor in assessing these proposals.

Service population is not considered a major issue for these proposals, although this may change in time as the size and role of the Armadale strategic centre increases.

Community of Interest

The Board has previously expressed the view that the external boundaries of a local government should reflect distinct communities of interest wherever possible. The

[106] Metropolitan Local Government Reform Demographic Analysis, Geografia 2014
[107] City of Armadale Economic Development Strategy 2013:8
[108] City of Armadale Economic Development Strategy 2013-2017, p.i

following observations about communities of interest in the Armadale and Serpentine Jarrahdale local government areas were noted.

The proposed local government brings together the strong south-eastern foothills regional community of interest, focused on the strategic metropolitan centre of Armadale. As a significant service centre, Armadale's service catchment includes rural areas to the south and east of Armadale and beyond the metropolitan area boundary. The primary trade area of Armadale Shopping City encompasses both the Armadale and Serpentine Jarrahdale local government areas.[109] In terms of distance, Byford is very close to Armadale; Keysbrook is closer to Pinjarra than Armadale.

Similarly the Armadale Kelmscott Memorial Hospital and the Armadale Senior High School draws patients and students from the Serpentine Jarrahdale Shire area, as there is at present no hospital and until 2014 there was no government high school in the Shire. There is no library at Byford and residents of Byford and surrounding areas have been significant users of the library at Armadale, it being larger and closer than the library at Mundijong.

[109] http://www.lendlease.com/en/australia/projects/armadale-shopping-city.aspx (2010 brochure)

Table 145 - Localities affected by the Armadale and Serpentine Jarrahdale proposals

Locality	Pop. (2011 Census)	Current City of Armadale	Current Shire of Serpentine Jarrahdale	City of Armadale proposal 5	Shire of Serpentine Jarrahdale proposal 21	Minister's Proposal 06/2013
Armadale	13,461	Yes	No	Yes	No	Yes
Ashendon	(inc. in Bedfordale)	Yes	No	Yes	No	Yes
Bedfordale	2,332	Yes	No	Yes	Part	Yes
Brookdale	2,872	Yes	No	Yes	No	Yes
Camillo	4,731	Yes	No	Yes	No	Yes
Champion Lakes	859	Yes	No	Yes	No	Yes
Forrestdale	1,157	Yes	No	Yes	No	Yes
Harrisdale	3,929	Yes	No	Yes	No	Yes
Haynes	130	Yes	No	Yes	No	Yes
Hilbert	634	Yes	No	Yes	No	Yes
Illawarra	(inc. in Bedfordale)	Yes	No	Yes	No	Yes
Karragullen	(inc. in Roleystone)	Yes	No	Yes	No	Yes
Kelmscott	10,624	Yes	No	Yes	No	Yes
Lesley	(inc. in Roleystone)	Yes	No	Yes	No	Yes

Locality	Pop. (2011 Census)	Current City of Armadale	Current Shire of Serpentine Jarrahdale	City of Armadale proposal 5	Shire of Serpentine Jarrahdale proposal 21	Minister's Proposal 06/2013
Mount Nasura	5,028	Yes	No	Yes	No	Yes
Mount Richon	(inc. in Mount Nasura)	Yes	No	Yes	No	Yes
Piara Waters	2,991	Yes	No	Yes	No	Yes
Roleystone	6,874	Yes	No	Yes	No	Yes
Seville Grove	9,173	Yes	No	Yes	No	Yes
Wungong	(inc. in Brookdale)	Yes	No	Yes	Part	Yes
Byford	8,406	No	Yes	Yes	Yes	Yes
Cardup	1,911	No	Yes	Yes	Yes	Yes
Darling Downs	1,180	No	Yes	Yes	Yes	Yes
Jarrahdale	1,275	No	Yes	No	Yes	No
Hopeland	(inc. in Serpentine)	No	Yes	No	Yes	No
Karrakup	(inc. in Jarrahdale)	No	Yes	Yes	Yes	Yes
Keysbrook	(inc. in Serpentine)	No	Yes	No	Yes	No
Mardella	(inc. in Cardup)	No	Yes	No	Yes	No
Mundijong	1,359	No	Yes	Yes	Yes	Yes

Locality	Pop. (2011 Census)	Current City of Armadale	Current Shire of Serpentine Jarrahdale	City of Armadale proposal 5	Shire of Serpentine Jarrahdale proposal 21	Minister's Proposal 06/2013
Oakford	2,629	No	Yes	Yes	Yes	Yes
Oldbury	(inc. in Cardup)	No	Yes	Yes	Yes	Yes
Serpentine	3,065	No	Yes	No	Yes	No
Whitby	(inc. in Mundijong)	No	Yes	Yes	Yes	Yes
Wandi	(part Kwinana)	No	No	No	Part	No
Anketell	(part Kwinana)	No	No	No	Part	No
Casuarina	(part Kwinana)	No	No	No	Part	No
Wellard	(part Kwinana)	No	No	No	Part	No
Baldivis	(part Rockingham)	No	No	No	Part	No
Karnup	(part Rockingham)	No	No	No	Part	No
Keralup	(part Rockingham)	No	No	No	Part	No
Mt Cooke reserve	(part Wandering)	No	No	No	Part	No

Shire of Murray localities not listed.

Educational Facilities: The City of Armadale contains 21 primary schools, 10 high schools, 2 higher education vocational and learning facilities and several private secondary schools. There was no government high school located in the Shire of Serpentine Jarrahdale until the Byford Secondary College commenced with Year 8 students in February 2014. Serpentine Jarrahdale Grammar School commenced operating in the district in mid-2000 and now caters up to year 12. However most secondary students are likely to attend high school outside the district. Curtin University delivers some courses through a centre in Armadale. Polytechnic West also has a campus in Armadale as well as a special campus for equine studies.

Journey to Work: Local jobs are largely filled by local residents, with 63% of workers working in Armadale originating from the Armadale and Serpentine Jarrahdale districts. Approximately 13,000 jobs are located in Armadale, however, the majority of the City of Armadale's working residents (18,785, or 63.2%) travel outside of the district for employment. Many residents who work in Manufacturing and in the Construction, Transport, Postal and Warehousing sector must travel outside of the City to work.[110] Armadale continues to be the major service centre for the Serpentine Jarrahdale area, given the limited range of services and employment opportunities available in the Shire. [111]

Newspaper circulation: Suburban papers circulating in the area affected by the proposals include the Comment News, the Mandurah Coastal / Pinjarra Murray Times (does not circulate into the Armadale and Serpentine Jarrahdale areas), the Weekend/Kwinana Courier (distributed into the areas of Kwinana and Rockingham included in the Shire of Serpentine Jarrahdale proposal) and the Armadale/Gosnells/Serpentine/Jarrahdale Examiner. Most of the population of the area affected by the proposal receive the same community paper, the Comment News, but this edition does not yet circulate into all of the adjoining parts of Serpentine Jarrahdale proposed to be included in the City of Armadale (i.e. it goes into Byford but not Mundijong). The Armadale/Gosnells/ Serpentine/Jarrahdale Examiner is distributed throughout the entire Shire of Serpentine Jarrahdale.

State Electoral Districts: The State Legislative Assembly seat of Armadale covers most of the population of the City of Armadale. The adjacent seat of Darling Range covers the remainder of the City of Armadale, all of Serpentine Jarrahdale and the eastern part of Kalamunda. Both the Armadale and Darling Range electorates are part of the East Metropolitan Region for Legislative Council elections. The additional

[110] City of Armadale Economic Development Strategy 2013-2017, p.i
[111] Note: no journey to work data for Murray and Serpentine Jarrahdale was readily available

areas sought by the Shire of Serpentine Jarrahdale fall into the Legislative Assembly seats of Kwinana and Warnbro, in the South Metropolitan Region for Legislative Council elections. This point highlights the significance of the existing local government boundaries for defining Legislative Assembly seats to some degree and Legislative Council regions in particular. The Shire of Murray is in the seat of Murray-Wellington in the South West region.

Commonwealth Electoral Divisions: All of the area affected by the proposals from Armadale and Serpentine Jarrahdale councils and the Minister is located within the Federal electorate of Canning, with the Armadale and Serpentine Jarrahdale local government boundary forming the northern, western and eastern boundary between the electorate and adjacent electorates. This electorate also includes rural areas to the south which are part of the current local governments of Murray, Waroona, Boddington and the City of Mandurah. The additional areas sought by the Shire of Serpentine Jarrahdale are in the Federal electorate of Brand.

Public transport: Bus and rail services are critical services for residents of suburbs in the City of Armadale and Shire of Serpentine Jarrahdale. As Armadale is the location for a wide range of economic and social services for the communities in its catchment, it is a focus point for passenger rail and bus networks (10 routes). There are limited bus routes in the rural portions of the Shire of Serpentine Jarrahdale, and the additional western areas sought by the Shire do not share the same transport links, being closer to the Perth Mandurah railway. Extending the Perth to Armadale commuter line 15 kilometres to Byford and Mundijong is a longer term plan.[112] The south-eastern quadrant of Perth has long been critical as the location for the major transport linkages between Perth and the south-west and the great southern regions of the State. Limited commercial and industrial land in the region means that many Armadale and Serpentine Jarrahdale residents need to travel outside of the region to work, so an efficient transport system (public and private) is essential. The rationalisation of local government boundaries offers the potential for greater integration of transport planning for the region.

Community of Interest: summary and comment

There are strong community of interest links between the Armadale and Serpentine Jarrahdale areas:

- The communities share a focus on the health, education, commercial and other services available through the strategic centre of Armadale.

[112] http://www.transport.wa.gov.au/mediaFiles/about-us/ABOUT_P_PT_Plan2031.pdf

- Demographic characteristics are relatively similar (although Armadale is more socio-economically disadvantaged).
- Industry of employment and journey to work patterns are relatively similar.
- There are strong albeit limited transport links between the communities.
- The government high schools and private colleges draw students from the broader area of Armadale and Serpentine Jarrahdale and beyond.
- Most residents receive the same local community newspaper.
- The districts are in the same Legislative Council electoral region (albeit divided in to two complementary Legislative Assembly seats).
- Armadale and Serpentine Jarrahdale are both located within the Federal electorate of Canning.

The Armadale and Serpentine Jarrahdale districts have long been strongly connected communities, highlighted by the opening of the high school in the 1950s and the hospital in 1964. As a significant service centre, Armadale's service catchment today includes rural areas to the south and east of Armadale and beyond the metropolitan area boundary. The primary trade area of Armadale Shopping City encompasses both the Armadale and Serpentine Jarrahdale municipal areas. Similarly the Armadale Kelmscott Memorial Hospital and the Armadale Senior High School draws patients and students from the Serpentine Jarrahdale Shire area. Residents of Byford and surrounding areas are significant users of the library at Armadale. The rural interests of the southern portion of the Shire are more closely linked to the adjacent Shire of Murray.

These observations provide support for the Minister's and the City of Armadale's proposed boundary change. They also suggest that there are no compelling points of difference between the various localities affected by the proposed change to suggest that the boundary change should not happen.

There is limited community of interest evidence to support the Shire of Serpentine Jarrahdale proposal to incorporate parts of the Armadale, Kwinana, Rockingham and Wandering areas into its district, although the rural style of living is in common. The extent to which those localities have their emergency or waste management or other service needs met by the existing local governments could be expected to be similarly met by the Shire of Serpentine Jarrahdale, noting however that as a smaller local government the Shire perhaps offers more limited services compared to its larger neighbouring cities. Newspaper circulation areas and electorates can be changed to reflect new local government arrangements.

Economic Considerations

The economic activity in the Armadale and Serpentine Jarrahdale area comprises mainly a mix of service industries including health, education, retail, and other professional services. While there is a strong rural element remaining, with grazing, equine and horticultural activities, there are no significant heavy industries, and relatively few light industries. Directions 2013 identifies the following activity centres:

- Strategic metropolitan centre – Armadale
- District Centres – Byford, Forrest Lakes, Kelmscott, North Forrestdale, Wungong
- Metropolitan Attractors – Perth Hills
- Priority Industrial Sites – South Forrestdale
- Industrial Centres – Armadale, Forrestdale, Kelmscott

West Mundijong has been earmarked as a key future medium term, non-heavy industrial site.

As a designated strategic metropolitan centre, Armadale provides a growing range of economic and community services for the communities in its catchment. It is a focus point for passenger rail and bus networks (10 routes), and is the location for major discount department stores, supermarkets and speciality shops. It is also the location for hospital and education facilities. The City's *Future Growth Strategy* is to 'strengthen the City Centre's role and function by providing a greater mix of retail, office, community, entertainment, residential and employment activities that are well serviced by high frequency public transport'. [113] The Armadale Redevelopment Authority was established in 2001 to work with the city council to revitalise the city. The Redevelopment Authority's primary role is to transform the city into a strategic regional centre by generating investment, education and employment opportunities in the Armadale CBD and the Kelmscott town centre.

The respective community plans all include objectives and strategies for a diverse local economy. The City of Armadale has prepared an Economic Development Strategy 2013-2016 and released a Business Investment Prospectus. Armadale has large tracts of (light) industrial land available for occupation or development. The Serpentine Jarrahdale Shire initiated the rezoning of approximately 470 hectares in

[113] City of Armadale Economic Development Strategy 2013 pg13

West Mundijong from rural to industrial, to potentially create 880 properties for the area and creating local employment.[114]

Public Infrastructure

Significant public and private infrastructure is present in this area, including the road and rail network, health and education establishments, and recreation facilities. The infrastructure includes a city administration centre and a shire office, two depots, an aquatic centre, three libraries, and an indigenous cultural centre. Parks and gardens include Minnawarra Park and various other local reserves.

Most of the Shire's major local government infrastructure, including a shire office, depot, library, recreation centre, as well as various other sporting facilities, neighbourhood parks, local roads and footpaths are located in the portion of the Shire of Serpentine Jarrahdale proposed to be transferred to Armadale. Local government infrastructure in the portion of the Shire of Serpentine Jarrahdale proposed to be transferred to the Shire of Murray includes several halls, pavilions and ovals and two cemeteries as well as various other neighbourhood parks and local roads, footpaths and drains. Local government infrastructure in the portion of the adjoining districts sought by the Shire of Serpentine Jarrahdale includes the Wandi Reserve (hall, playground, oval, sports courts) and Casuarina Reserve (hall, playground, sports courts).

A change in local government arrangements in the region is unlikely to negatively affect community access to this infrastructure. In general, changes in local government boundaries do not tend to lessen the amenity or diminish the access to facilities and services enjoyed by residents of an area.

Environmental Context

The environmental context of this area can be summarised as being in two parts, including the Swan coastal plain with remnant wetlands and Darling Range scarp and foothills largely covered by jarrah forest and bisected by rivers and streams. The region encompasses diverse ecosystems including rivers, streams, wetlands, forests, heathlands and woodlands. It includes national parks, water catchments and part of the upper reaches of the Peel-Harvey river systems. Both local governments manage significant areas of remnant bushland. The upper reaches of the Canning River and its tributaries run through the City of Armadale. Armadale Settlers Common and Bungendore Park are major remnant bushland areas. More than half of the Shire of

[114] http://www.sjshire.wa.gov.au/west-mundijong-site-earmarked-for-industry/

Serpentine Jarrahdale and a significant portion of the City of Armadale is state forest (as is the Shire of Murray).

Armadale and Serpentine Jarrahdale each have strategies and programs dedicated to maintaining and improving the natural environment. This includes recognition within the strategic community plans, with biodiversity, waste management, climate change and waterwise components. From the available information, the Board has concluded that there are similarities in these communities' aspirations for the natural environment. Both local governments employ staff with environment expertise to promote and embed environmental initiatives in their organisations and the wider community. Given the environmental concerns and issues in common, and the similar priority given to environmental issues, it is likely that the environmental sustainability of the Armadale and Serpentine Jarrahdale area would be enhanced by a consolidation of relevant resources and expertise.

Management of the Jandakot groundwater resource is a significant consideration. At present, the groundwater management area spans several local government areas, including parts of the City of Armadale and Shire of Serpentine Jarrahdale. The Shires of Serpentine Jarrahdale and Murray are part of the Peel Harvey Catchment which also includes part of the Cities of Cockburn, Kwinana and Rockingham with the associated urban, peri-urban, and industrial land uses. Beyond the coastal plain, the central and eastern portions of the catchment extend through a large expanse of State forest. Consolidation of local government provides the potential to better address these issues. The proposed local government would be a key local government working with State Government to ensure environmental sustainability of the environmentally significant forest and water catchments. Regional liaison with state government on key issues such as bush fire management would also be improved.

Local Government

Armadale, Serpentine Jarrahdale and Murray have largely completed the statutory requirements under the integrated planning framework. The 'vision' and strategic plans of the councils can be pointers to common interests. The Board considers that common values can give rise to community of interest and a common focus on community values, lifestyle and opportunities in the council's vision statements.

The two local governments had 366 FTE employees (2010-11 figures), with duplication in many roles including Chief Executive Officers and senior directors. There has been a significant increase in the number of staff employed by the local governments over the last 10 to 20 years, reflecting the significant population growth

in the area. The current Workforce Plans of Armadale and Serpentine Jarrahdale combined propose a further 100 new positions to be filled over the next 5 years, and the City of Armadale submission suggests that this projected growth will greatly ease the "pain" of redeployment and reduces the extent of costly redundancies that might otherwise be necessary.

There is also likely to be some scope for rationalisation of infrastructure, plant and equipment while at the same time maintaining effective and efficient service delivery. At present, the proposed area includes two council offices and two depots. The City of Armadale operates public libraries in Armadale, Kelmscott and Seville Grove, while the Shire operates a library at Mundijong. There is no library at Byford and for years Byford residents have been significant users of the library at Armadale. Through the boundary change, Shire residents who use the City's facilities will have the opportunity to directly influence the type and standard of services and facilities provided. It is envisaged that the operation of other facilities such as the Armadale Aquatic Centre would not be affected by the proposed boundary changes.

Armadale has a Children and Families Strategy and a Positive Ageing Strategy and the latter provides a framework to guide the City's efforts in engaging and supporting seniors. The City has established an Aboriginal and Torres Strait Islander Advisory Committee (ATSIAC) to advise and make recommendations to Council on a range of issues which affect Indigenous people in Armadale. The Shire of Serpentine Jarrahdale has developed a *Community Facilities and Services Plan to 2020* (CFSP). The overarching objective of the CFSP is to provide a co-ordinated approach to the delivery of facilities and services to meet the needs of both existing and future communities. Facilities and services which require a local government contribution have been identified and costed. The plan was developed in 2008 and is currently under review. Taking into account capital costs, new maintenance loads and the cost of staff required for implementation, the plan shows that the Shire faces significant funding shortfalls.[115]

Each local government has the required local planning strategies and town planning schemes to guide and control development in their respective areas. Directions 2031 has a target of up to 63,600 new dwellings in this area by 2031. Land development in the Armadale and Serpentine Jarrahdale areas represents 14.5% of total lot creation across the metropolitan area. The Serpentine Jarrahdale Council is developing a new Town Planning Scheme and Local Planning Strategy.

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[115] http://www.sjshire.wa.gov.au/community-facilities-and-services-plan-to-202/ http://www.sjshire.wa.gov.au/assets/Uploads/pdf2/CFSP-Rpt6.pdf

The Metropolitan East Joint Development Assessment Panel (JDAP) covers Armadale and Serpentine Jarrahdale and four other local government areas. The MRA is also a significant player in the planning and development of the regional activity centre.

The proposals for boundary change which split the Shire of Serpentine Jarrahdale would result in the creation of a local government spanning the Metropolitan Region Scheme (MRS) boundary. As the City of Armadale submission notes, while this has not happened previously, there is no statutory reason to prevent local governments being partly in and partly outside the MRS. The consolidation of local governments would facilitate achievement of the State's goals in the *Directions 2031 and Beyond* strategy. These include achieving the balance between greenfield and infill development; protecting the natural environment and resources as well as providing housing and lifestyle choices, to meet the housing needs of the community in the long term.

Local Government Finance

The revenue base for the proposed enlarged City of Armadale would include a rate revenue of perhaps $55 million (2013/14) and total revenue around $100 million (2013/14). It would have potentially the weakest rate base of all of the proposed metropolitan local governments. The Shire of Murray, in gaining the southern portion of the Shire of Serpentine Jarrahdale, would see its total revenue increase by about 13% to $32million.

Average residential rates per assessment are higher in Armadale than the metropolitan average, in part reflecting the relatively lower property values across the area. Serpentine Jarrahdale residential rates are below the metropolitan average. Similarly, the UV rate is higher in Armadale, but there are relatively fewer assessments (168) compared to Serpentine Jarrahdale (3,369). The UV rate in Murray is higher than both Armadale and Serpentine Jarrahdale. Kwinana (0.04762c) and Rockingham (0.102c) UV rates are much higher than in Serpentine Jarrahdale.

Table 146 –Local government financial data for the City of Armadale and Shires of Serpentine Jarrahdale and Murray

Financial data	Armadale	Serpentine - Jarrahdale	Murray
Total rate revenue ($)*	$46,017,060	$14,413,560	$11,836,405
Total operating revenue ($)*	$83,323,860	$22,523,022	$19,233,581
Total operating expenditure ($)*	$84,543,400	$24,258,007	$22,773,140
Total rate revenue per capita ($)	$664	$721	$764
Total operating revenue per capita ($)	$1,203	$1,127	$1,241
Total operating expenditure per capita ($)	$1,221	$1,214	$1,470
Property, plant and equipment per capita ($)	$742	$998	$870
Infrastructure per capita ($)	$3,138	$2,998	$3,068
Rates as % of operating revenue	55.23%	63.99%	61.54%
Residential rates as % of rates	No data	48.05%	No data
Commercial rates as % of rates	No data	3.58%	No data
Rural (UV) rates as % of rates	1.74%	45.61%	24.04%
Employee Costs	$34,107,800	$10,056,957	$9,174,551

*Based on 2013-14 annual budgets

Table 147 - Rate in dollar GRV (2012/13 budget)

Council	Residential Improved GRV Rate/$	Commercial Improved GRV Rate/$	Industrial Improved GRV Rate/$	UV Improved Rate/$
Armadale	0.084	0.084	0.084	0.0037
Serpentine - Jarrahdale	0.086	0.090	0.097	0.0028
Murray	0.085068	0.085068	0.085068	0.004409

*Based on 2013-14 annual budgets

There would be no effect on the total financial assistance grant entitlements, with the new entity likely to receive something similar to the current total of the current entitlements of the constituent local governments. Collectively these grants account for 5.5% of the local government's current revenue.

With the assistance of the affected local governments information has been compiled for the Board in respect of the areas affected by these proposals (Table 148-151). Note that the City of Armadale and Shire of Serpentine Jarrahdale have both valued the majority of their assets at 'cost' whereas the Shire of Murray has valued the majority of their assets at 'fair value'. Asset management implications have been examined in detail as part of the Inquiry process

Table 148 - Key financial information for the Minster's Proposal 11/2013 – City of Armadale and Shire of Serpentine Jarrahdale

City of Armadale under Minister Proposal 11/2013	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Armadale	$80,143,001	$72,349,753	$42,874,578	$14,324,856	$705,451
Add: Serpentine Jarrahdale: Byford, Cardup, Darling Downs, Karrakup, Mundijong, Oakford, Oldbury and Whitby	$19,776,341	$18,878,098	$10,949,486	$3,282,306	$1,166,425
TOTAL	$99,919,342	$91,227,851	$53,824,064	$17,607,162	$1,871,876

Table 149 - Key financial information for Murray under the Minister's Proposal 11/2013 – City of Armadale and Shire of Serpentine Jarrahdale

Shire of Murray under Minister proposal 11/2013	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Murray	$28,305,901	$23,056,217	$11,123,405	$3,935,294	$3,051,468
Add: Serpentine Jarrahdale: Hopeland, Jarrahdale, Keysbrook, Mardella and Serpentine	$3,752,916	$3,582,459	$2,077,862	$622,877	$221,350
TOTAL	$32,058,817	$26,638,676	$13,201,267	$4,558,171	$3,272,818

Table 150 - Key financial information for Armadale and Serpentine Jarrahdale under the City of Armadale's Proposal 5

Proposal 5 - City of Armadale	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Armadale	$80,143,001	$72,349,753	$42,874,578	$14,324,856	$705,451
Add: Serpentine Jarrahdale: Byford, Cardup, Darling Downs, Karrakup, Mundijong, Oakford, Oldbury and Whitby	$19,776,341	$18,878,098	$10,949,486	$3,282,306	$1,166,425
TOTAL	$99,919,342	$91,227,851	$53,824,064	$17,607,162	$1,871,876

Table 151 - Key financial information for areas affected by the Shire of Serpentine Jarrahdale's Proposal 21

Proposal 21 - Shire of Serpentine Jarrahdale	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Serpentine	$23,529,257	$22,460,557	$13,027,348	$3,905,183	$1,387,775
Add: Kwinana-Wandi, Anketell, Casuarina and Wellard	$1,770,608	$422,478	$1,200,000	$464,098	$9,100
Add: Rockingham - Baldivis, Karnup and Keralup	$610,583	$631,722	$286,243	$200,469	$40,305
Add: Armadale-Darling Downs	$11,900	$0	$11,900	$0	$0
Add: Armadale-Karrakup	$8,900	$0	$8,900	$0	$0
TOTAL	$25,931,248	$23,514,757	$14,534,391	$4,569,750	$1,437,180

Table 152 - Comparative summary for Armadale Serpentine Jarrahdale proposals

Shire of Serpentine Jarrahdale under	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Minister proposal 10/2013	$99,919,342	$91,227,851	$53,824,064	$17,607,162	$1,871,876
Armadale proposal 5	$99,919,342	$91,227,851	$53,824,064	$17,607,162	$1,871,876
Serpentine Jarrahdale proposal 21	$25,931,248	$23,514,757	$14,534,391	$4,569,750	$1,437,180
Difference	$73,988,093	$67,713,094	$39,289,673	$13,037,412	$434,696

*Note: Armadale proposal same financial impact as Minister's proposal 11/2013.

Financial Health checks

It is noted that in the Department of Local Government's 2009 Local Government Reform Steering Committee report, the City of Armadale and the Shires of Serpentine Jarrahdale and Murray were assessed as Category 1. The independent expert analysis of the financial position of the local governments conducted for the Metropolitan Local Government Review Panel in 2012 included a five-year analysis of sustainability measures. Armadale was rated as sustainable and Serpentine Jarrahdale as vulnerable (Shire of Murray not included). A financial health check (based on the 2012-13 annual financial statements) undertaken by the Department of Local Government and Communities has rated the position of Armadale as strong, and Serpentine Jarrahdale as good.

Financial Sustainability Analysis

The Western Australian Treasury Corporation (WATC) was commissioned to undertake a comparative analysis of the financial sustainability of existing and proposed metropolitan local governments. The financial analysis by WATC was based on the seven (7) financial ratios on which local governments are required to report, considering the past four financial years using the annual financial statements, and the forward looking next four years based on the financial plans, with seven years of data (2010-2017) to derive a Financial Sustainability Score as follows:

Table 153 - Financial Sustainability Scores (FSS)

FSS for current and proposed authorities	2010-2013	2010-2017
Existing City of Armadale	96	97
Existing Shire of Serpentine Jarrahdale	66	59
Existing Shire of Murray	58	62
Minister Proposal 11/2013 Armadale	92	94
Minister Proposal 11/2013B Murray	63	65
Armadale Proposal 5	92	94
Serpentine Jarrahdale Proposal 21	83	77

Source: WA Treasury Corporation. The FSS for all current metropolitan local governments and the proposed restructured local governments are included in Section 4 of the Appendices.

Table 154 - 2012/2013 Financial Ratios

Local Government	Armadale	Serpentine Jarrahdale	Murray
Current Ratio	1.79	1.16	1.138
Debt Service Coverage	9.95	3.06	2.660
Own Source Revenue	0.87	0.92	0.897
Operating Surplus	0.11	0.05	0.056
Asset Consumption	0.7	0.62	0.758
Asset Sustainability	2.46	3.35	0.645
Asset Renewal	1.11	0.6	1.434

Proposal 11/2013 has a positive impact for the Serpentine Jarrahdale area, and eliminates the significant existing differential between the City of Armadale and the Shire of Serpentine Jarrahdale. The resulting FSS is significantly higher than existing Serpentine Jarrahdale. The City of Armadale Proposal 5 has the same impact. Serpentine Jarrahdale Proposal 21 significantly improves the position for that Shire, but the district would be significantly better off under the Armadale or Minister's proposal.

Submissions to the Local Government Advisory Board

Submissions were provided to the Board during the advertised public submission periods by local governments, industry groups, local businesses and affected ratepayers. A summary of these submissions is detailed below. Note the following summaries are the position put forward by those making the submission.

Local government submissions:

City of Armadale

The City of Armadale rejects Proposal 21 from the Shire of Serpentine Jarrahdale in support of the Minister's and its own proposal. The City cites its own experience in balancing urban and rural planning with water catchment management to reject the argument that local government boundaries should coincide with catchment boundaries. The City considers itself as qualified as the Shire to manage agricultural and equestrian land uses and provide services such as bushfire management.

The City submitted that it is important that the City of Armadale continues as an entity, delivering high level urban services to a new, larger population. Given the options open to it, the City of Armadale submits that a boundary change incorporating the area of the Shire of Serpentine Jarrahdale north of Mundijong Road, and transferring the southern section to the Shire of Murray, is appropriate and to the best advantage of all the communities concerned.

A boundary change that sees the City of Armadale extended into the northern area of Serpentine Jarrahdale (north of Mundijong Rd) is said to be far more beneficial to the communities of the district than a merger:

1. Financially the City of Armadale is in a much stronger position than the Shire of Serpentine Jarrahdale, has a significantly larger population and considerably better resourced.

2. The southern area of the Shire of Serpentine Jarrahdale, being predominantly rural in nature, has more in common with the Shire of Murray than the residential and urbanised north areas of the Shire.

3. Byford formed part of Armadale as recently as 1977. Its current rapid growth reflects that of Armadale itself over earlier decades and the strategies and systems needed to stabilize and sustain such communities already exist in the City of Armadale.

4. The southern part of the Shire has much more in common with its rural neighbours to the south, the Shire of Murray and the Peel-Harvey catchment. While urbanisation may come to that area at a later date, there is a considerable period of rural and lifestyle living likely before this change.

5. A boundary change would allow a larger City of Armadale the best possible opportunity to focus on management of growth associated with being on the edge of the Perth urban fringe. It also brings the benefit of Armadale's recognised leadership role in managing urban growth to a larger community.

6. The City of Armadale considers that it has community of interest with the rapidly urbanising northern part of Serpentine Jarrahdale. The growing neighbourhoods of Mundijong and Byford are part of the social, commercial, retail and governance 'catchment' of the Armadale strategic metropolitan centre.

Shire of Serpentine Jarrahdale

The Shire submits that the proposed boundary changes under its proposal align with the future long-term planning for Perth. In regards to adding areas to the Shire 'the

effect on the residents would be inconsequential, but there would be positive benefits to residents involved through association with rural communities to the east, with the contiguous equestrian locality of Oakford in the Shire.'

Key points within the Shire's submission include:

- There are significant differences between the Shire of Serpentine Jarrahdale, the City of Armadale and the Shire of Murray as communities, growth projections and planning requirements.
- Serpentine Jarrahdale community is strongly linked through a significant number of organisations, volunteerism and local initiatives.
- The positive financial position of the Shire of Serpentine Jarrahdale with its ability to retire significant debt during the 2013/14 financial year, and a projection of $2.79 million dollars debt over the next 10 years.
- The Shire of Serpentine Jarrahdale caters for more residents per staff member than either the City of Armadale or the Shire of Murray.
- A strong local economy with thriving local industries including agriculture, equine and retail employment within identified activity nodes across the Shire.
- Maintenance of infrastructure including roads and community facilities, should Proposal 21 be supported would be minimal, and create little to no more debt for the Shire over the coming years.
- Serpentine Jarrahdale's environment is fragile, especially as it relates to the Peel-Harvey Estuary. The Shire is in the best position to manage the environment over the coming years, a concerning time for our environment.

Shire of Murray

The Shire supported in principle the suggestion within the Minister 11/2013 and City of Armadale Proposal 5 for an extension to the Shire of Murray boundary to Mundijong Road (only if the Shire of Serpentine Jarrahdale is abolished).

The Shire of Murray submits that Serpentine Jarrahdale's road network is failing with a $9 million infrastructure backlog. The Shire would seek an immediate cash injection of annual funding for 10 years to bring the inherited roads up to standard. The Shire also cites substantial rate variations between the districts, warning that unless there was a phased increase, the proposal would result in a 48 per cent increase for rates in the areas added to the Shire. The Shire estimated transitional costs at just over $7 million, and indicated an expectation that costs would be met by the State

Government. (The Shire submitted a subsequent detailed costing of estimated road expenditure upgrade costs and impacts on ratepayers. Details of the Shire's costing are referred to in the subsequent submission period for Proposal 5).

City of Mandurah

The City of Mandurah objects to the transfer in Proposal 11/2013 of localities such as Mundijong and Whitby to an extended City of Armadale. The City considers these areas of the current Murray district to be part of the long term future of the Peel region, and opposes any changes to the current recognition of Mandurah as a regional city (albeit recognising its role in Perth's urban expansion).

Shire of Wandering

The Shire of Wandering objects to any loss of land from its own district to Serpentine Jarrahdale under Proposal 21. The Shire is concerned about potential loss of revenue should changes be made to the Alcoa State Agreement Act in relation to Mining tenement AML70/001SA if Serpentine Jarrahdale's proposal was adopted.

Community organisations, government agencies and institutions

There was mixed support for the proposals from across the region. The Cockburn Community Proposal Steering Committee opposes Proposal 21 on the basis of its preference for a full merger of the Cockburn and Kwinana districts, as recommended in its own proposal. As such, it opposes the acquisition of any existing parts of Kwinana by the Shire of Serpentine Jarrahdale.

The Peel Development Commission supports Proposals 11/2013 and 5 in opposition to Proposal 21. The Commission argues that the region to the south of Mundijong in the current Shire of Serpentine Jarrahdale is more agricultural in nature than the areas to the north, and is more appropriate for incorporation into the Shire of Murray. It asserts that the proposals from the Minister and the City of Armadale will ensure that significant rural landholdings remain in the Peel Region (citing this as crucial to their continued access to benefits under the *Regional Development Commissions Act 1993* and the *Royalties for Regions Act 2009*.) The Commission notes, however, that Whitby Falls Farm will fall in the Armadale district under Proposals 11/2013 and 5, and suggests that the boundary be adjusted to ensure that the Farm is within the Shire of Murray, given its status as an agricultural and veterinary facility servicing the entire Peel Region and as a key component of the Commission's Economic and Development Strategy.

The Peel-Harvey Catchment Council supports Proposal 21 in preference to Proposals 11/2013 and 5. It argues that management of the catchment will be greatly facilitated by the existence of one local government across the northern part of the Serpentine River catchment. The Council notes that the Commonwealth Government's Natural Resource Management (NRM) Region for the Peel, effective from July 2014, will have the same boundaries as the Environmental Protection Authority's Water Quality Improvement Plan for the catchment, and correspond with the Western Australian Planning Commission's subregions. The Council believes that splitting the region across local governments would complicate its coordinated environmental management.

Similarly, the Peel Regional Leaders Forum (PRLF) opposes Proposals 11/2013 and 5 on the basis that it considers the Shire of Serpentine Jarrahdale as strategic for the future of the Peel Region. It asserts that the Shire is almost entirely located within the boundaries of the Peel Harvey Catchment Council, and comprises a third of the catchment area, in addition to being an active member of the Council itself. The PRLF argues that the City of Armadale's focus is on the Swan and Canning River Catchment. The PRLF asserts that the Shire is an active member of the Peel Development Commission as well as regional development and tourism bodies, and an experienced manager of agricultural and sustainable economic growth for the region.

Murdoch University's submission reiterates the request of the PRLF in relation to Whitby Falls Farm. The University leases the farm and plans to redevelop it as a working farm and specialist education and veterinary centre. As such, Murdoch University opposes the recommended boundary in Proposals 11/2013 and 5 to the extent that it splits the farm between the extended City of Armadale and the Shire of Murray. Echoing the concerns of the Peel Development Commission, the University requests that the entire facility be located in the Shire of Murray to minimise local government compliance inconsistencies and to ensure that regional funding opportunities can be accessed.

Other submissions

The 12 public submissions in support of the Minister's proposal (11/2013), and seven in support of the City of Armadale's proposal (5), were mostly from residents of the Shire of Serpentine Jarrahdale who supported the alignment of the more urban northern areas of the Shire with the City of Armadale, and the more rural areas with the Shire of Murray. The 270 submissions against the Minister's proposal and 248 against Armadale's were also almost all from residents of Serpentine Jarrahdale,

primarily opposing any change to the status quo due to their support for the continued existence of the Serpentine Jarrahdale Shire.

Almost all submissions on the Shire's proposal 21 were from Serpentine Jarrahdale residents, either supporting the proposal as the only available option for retaining the Shire in some form, or opposing it on the basis of opposition to any change to the current Shire at all.

Table 155 - Submissions lodged on proposals

Origin of submissions	**Number of submissions**					
	Proposal 11/2013		**Proposal 5**		**Proposal 21**	
	For	Against	For	Against	For	Against
Local governments	2	2	2	1	1	2
Stakeholders	2	5	1	4	2	4
Individuals	12	270	7	248	101	5
Totals	16	277	10	253	104	11

Table 156 - Petitions lodged on proposals

Creator of petition	**Number of signatures**					
	Proposal 11/2013		**Proposal 5**		**Proposal 21**	
	For	Against	For	Against	For	Against
Hopeland Landowners Group	0	57	0	57	0	57
Serpentine Jarrahdale residents	0	12	0	12	0	0
Totals	0	**69**	0	**69**	0	**57**

Table 157 - Summary information for current City of Armadale, Shires of Serpentine Jarrahdale and Proposals 5, 21 and 11/2013

Summary information	**Armadale**	**Serpentine Jarrahdale**	**Murray**	**Armadale Proposal (5)**	**Serpentine Jarrahdale Proposal (21)**	**Minister's Proposal 11/2013**
Population 2013	73,725	21,162	16,304	90,059	25,724	91,256
% variation from 100,000 in 2013	-26%	-79%	-84%	-10%	-74%	-9%
Population 2026	101,220	38,259	27,434	123,074	41,126	119,400
Population 2050	140,900	67,687	No data	179,035	78,169	166,380
Strategic centres (Strategic – bold)	**Armadale**	None	Pinjarra	**Armadale**	None	**Armadale**
Potential industrial sites	Forrestdale	West Mundijong, Cardup	Nambeelup, West Pinjarra	Forrestdale, West Mundijong, Cardup	West Mundijong, Cardup	Forrestdale, West Mundijong, Cardup
Additional dwelling Target (D2031)	24,600 to 32,800	20,600 to 30,800	41,000 to 55,000	No data	No data	No data
Local employment %	44.2%	No data	No data	No data	No data	No data
Total FTE	287	98	111	No data	No data	No data
Total Expenditure	$84,543,400	$24,258,007	$22,773,140	No data	No data	No data

Summary information	Armadale	Serpentine Jarrahdale	Murray	Armadale Proposal (5)	Serpentine Jarrahdale Proposal (21)	Minister's Proposal 11/2013
Total Rates	$46,017,060	$14,413,560	$11,836,405	No data	No data	No data
Average residential GRV	No data	$15,759	$12,842	No data	No data	No data
Average residential rate	$1,280^	$1,274	$1,096	No data	No data	No data
Residential GRV rate in $	0.084	0.086	0.085068	No data	No data	No data
Rates as % of revenue	55.23%	63.99%	61.54%	No data	No data	No data
Residential rates %	No data	48.05%	No data	No data	No data	No data
Commercial rates %	No data	3.58%	No data	No data	No data	No data
DLGC Financial health check	Strong	Good	Satisfactory	No data	No data	No data
Operating Surplus	0.11	0.05	0.056	0.10	0.11	0.1
Current ratio 2013	1.79	1.16	1.138	1.69	1.26	1.69
WATC Ratio Profile	No data	No data	No data	very well balanced	reasonably balanced	very well balanced
WATC Financial Sustainability Score (2010-2013)	96	66	58	92	83	92
WATC Financial Sustainability Score (2012-13)	97	59	62	94	77	94

Assessment of the City of Armadale's Proposal 5

against Local Government Advisory Board criteria

Proposal 5 was assessed and recommended by the Board.

From the City of Armadale submission:

"The identity and brand developed over the past decade for the Armadale strategic metropolitan centre makes it important that the City of Armadale continues as an entity, delivering high level urban services to a new, larger population."

Community of interest

The Board can see no compelling issues of community of interest in the various localities affected by the proposed boundary change to suggest that it should not proceed. Rather, the Board found evidence of strong links between the Armadale and Serpentine Jarrahdale communities. The service needs of specific communities of interest would be well served by the City of Armadale, given the services already accessed by Byford and Mundijong residents. The proposal aligns with the strong community of interest between Armadale and the Byford and Mundijong areas, and gives the latter a say in the services and facilities available in Armadale. Both existing local governments share a vision for vibrancy in lifestyles and local centres; these visions reflect similar community aspirations. The capacity of the local government to engage the community would remain strong. Rural and urban growth communities will be more closely aligned in local governments with similar characters. Community of interest links between Armadale and the area south of Mundijong are also noted, but this area is more rural in outlook. The Board considered that the southern portion of the Shire of Serpentine Jarrahdale has interests in common with the Shire of Murray.

Physical and topographic features

The most significant physical and topographic features are the Darling Scarp and streams running off the scarp, including the Serpentine River which feeds into the Peel-Harvey estuary. The Darling Scarp is not a significant boundary feature, as both Armadale and Serpentine Jarrahdale have suburbs and localities that span both foothills, scarp and hills locations. Mundijong Road is a logical southern boundary for the proposed local government given the proposed developments, and that the land southwards will largely stay rural in nature similar to the Shire of Murray. The Board believes the specific boundaries for the proposed boundary change would not affect

the capacity of the broader community to access services or the capacity of the local government to service the community.

The Peel-Harvey Catchment area already includes a small portion of the City of Armadale; the proportion of the catchment in the care of the City would increase under this proposal. Part of the Jandakot water mound currently in the Shire of Serpentine Jarrahdale would be consolidated with that part in the City of Armadale, the net effect being one less local government involved in the management of this important groundwater asset.

The Board notes that the area covered by the Metropolitan Region Scheme (MRS) is affected by the proposed boundary; a portion of the metropolitan region would be ceded to the Shire of Murray which is otherwise outside of the metropolitan region. This also affects the area covered by the Metropolitan Region Improvement Fund and Royalties for Regions. The Board expects that the existing provisions would continue to apply to the relevant areas.

Demographic trends

There are no compelling points of difference in the demographic details of the localities affected by the proposed boundary change. Armadale and Serpentine Jarrahdale have similar demographic profiles, particularly in terms of the qualifications, occupation and resident income of residents and the population in the area is generally younger than in Perth as a whole. The Board believes the capacity of the local government to service the needs of the growing and changing community would be strong. The proposal is consistent with State planning frameworks regarding development of urban population centres. The Shire of Murray's population is also expected to grow, as it is within the influence of the developing Mandurah strategic centre. Demographic trends are not considered a major factor in assessing this proposal.

Economic factors

With a focus on the strategic activity centre of Armadale, the impact of the proposed boundary change on economic factors is considered to be positive, reinforcing the capacity of the local government to service a socially and economically diverse community. In the Board's view, the capacity of the expanded local government to work with the business community and promote economic activity will be enhanced. The draft Economic Development Strategy developed by the City of Armadale could be built upon to facilitate economic growth and investment across the broader area. The proposal is consistent with facilitating the objectives of the State Government's

Directions 2031 and Beyond planning framework. Armadale continues to be the major service centre for the Byford and Mundijong residents given the limited range of services available in those areas, and the boundary change is considered to be a positive step on the basis of economic factors. Pinjarra is a secondary activity centre. The Board was initially concerned that the addition of a substantial amount of territory might have potential impacts for the Shire of Murray.

The history of the area

There are some historical links between the areas, and in the Board's view, there are no significant differences in the history of the areas to suggest that the proposed boundary changes should not proceed. It is noted that Byford and adjacent areas were formerly part of the City of Armadale. Similarly, there are historical connections from Serpentine southwards through to the Murray district. The history of particular communities and local governments would not be lost by a boundary change, but a new chapter in local history would be opened. The history of the area is not considered a major factor in assessing this proposal.

Transport and communication

With the potential for greater integration of transport planning in this area, the boundary change is considered by the Board to offer transport benefits to the residents and businesses of the area together with the potential for improved access to services. Armadale is a significant local transport hub, and there is potential for its links to be improved, including through extension of metropolitan passenger rail and bus services. The proposal increases planning capacity for the Armadale district and better integration of the transport implications of greenfield development. This includes the proposed Tonkin Highway extension which will be managed within one local government. The Board was concerned with the potential impact of increased infrastructure costs for the Shire of Murray as it would take on a significant increase to its road network.

Matters affecting the viability of local governments

The proposed boundary change significantly improves parity compared to existing local governments and will result in increased financial sustainability. The WATC analysis shows that Armadale Serpentine Jarrahdale has above benchmark sustainability scores and very well balanced financial ratios. The combined Murray-Serpentine Jarrahdale entity would have adequate or strong ratio scores on many key ratios, with the exception of current ratio and operating surplus which are below benchmark. Given the financial strength of the proposed Armadale- Serpentine

Jarrahdale local government, and the potential to address sustainability issues and rationalise some duplicated infrastructure assets, the boundary change is considered by the Board to have positive benefits. The local government would have sufficient financial capacity to support the understanding and management of the financial implications of rapid urban growth. While the FSS score is below industry benchmarks for financial sustainability, the Shire of Murray's position would actually be improved by the addition of territory.

The effective delivery of local government services

The effective delivery of local government services would be maintained and potentially enhanced under the proposed Armadale local government. The Board believes it would have the capacity and resources to deliver services at least to a comparable standard to those currently provided. The proposal is consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community. Major projects identified in community plans could proceed, while capacity to undertake some projects would be enhanced.

The proposal would result in the predominantly urban areas of Serpentine Jarrahdale being managed by Armadale, and the predominantly rural areas being managed by the Shire of Murray consistent with its rural service delivery model. The organisational capacity within the City of Armadale is expected to result in stronger management for the urban growth areas in Byford and Mundijong. The Board acknowledges that there would be an impact on the Shire of Murray given its more limited financial and organisational capacity to deliver services over the wider area.

Assessment of the Minister's Proposal 11/2013

against Local Government Advisory Board criteria

Proposal 11/2013 was assessed and rejected by the Board.

From the Minister's Proposal 11/2013:

"The enlargement of the City of Armadale will capture a larger portion of the social, commercial, retail and governance 'catchment' of the Armadale strategic metropolitan centre. As significant population growth is anticipated in the enlarged City, there is expected to be a heightened focus on managing urban growth, development and service provision. The boundary change also presents the opportunity to facilitate a more co-ordinated approach to environmental issues, including bushfire management. The southern portion of the Shire of Serpentine Jarrahdale is considered to have more in common with the Shire of Murray"

(As the Minister's proposal 11/2013 is the same as the City of Armadale proposal, the same conclusions are drawn)

Community of interest

The Board can see no compelling issues of community of interest in the various localities affected by the proposed boundary change to suggest that it should not proceed. Rather, the Board found evidence of strong links between the Armadale and Serpentine Jarrahdale communities. The service needs of specific communities of interest would be well served by the City of Armadale, given the services already accessed by Byford and Mundijong residents. The proposal aligns with the strong community of interest between Armadale and the Byford and Mundijong areas, and gives the latter a say in the services and facilities available in Armadale. Both existing local governments share a vision for vibrancy in lifestyles and local centres; these visions reflect similar community aspirations. The capacity of the local government to engage the community would remain strong. Rural and urban growth communities will be more closely aligned in local governments with similar characters. Community of interest links between Armadale and the area south of Mundijong are also noted, but this area is more rural in outlook and has interests in common with the Shire of Murray.

Physical and topographic features

The most significant physical and topographic features are the Darling Scarp and streams running off the scarp, including the Serpentine River which feeds into the Peel-Harvey estuary. The Darling Scarp is not a significant boundary feature, as both

Armadale and Serpentine Jarrahdale have suburbs and localities that span both foothills, scarp and hills locations. Mundijong Road is a logical southern boundary for the proposed local government given the proposed developments. The Board believes the specific boundaries for the proposed boundary change would not affect the capacity of the broader community to access services or the capacity of the local government to service the community.

The Peel-Harvey Catchment area already includes a small portion of the City of Armadale; the proportion of the catchment in the care of the City would increase under this proposal. Part of the Jandakot water mound currently in the Shire of Serpentine Jarrahdale would be consolidated with that part in the City of Armadale, the net effect being one less local government involved in the management of this important groundwater asset.

The Board notes that the area covered by the Metropolitan Region Scheme (MRS) is affected by the proposed boundary; a portion of the metropolitan region would be ceded to the Shire of Murray which is otherwise outside of the metropolitan region. This also affects the area covered by the Metropolitan Region Improvement Fund and Royalties for Regions. The Board expects that the existing provisions would continue to apply to the relevant areas.

Demographic trends

There are no compelling points of difference in the demographic details of the localities affected by the proposed boundary change. Armadale and Serpentine Jarrahdale have similar demographic profiles, particularly in terms of the qualifications, occupation and resident income of residents and the population in the area is generally younger than in Perth as a whole. The Board believes the capacity of the local government to service the needs of the growing and changing community would be strong. The proposal is consistent with State planning frameworks regarding development of urban population centres. The Shire of Murray's population is also expected to grow, as it is within the influence of the developing Mandurah strategic centre. Demographic trends are not considered a major factor in assessing this proposal.

Economic factors

With a focus on the strategic activity centre of Armadale, the impact of the proposed boundary change on economic factors is considered to be positive, reinforcing the capacity of the local government to service a socially and economically diverse community. In the Board's view, the capacity of the expanded local government to

work with the business community and promote economic activity will be enhanced. The draft Economic Development Strategy developed by the City of Armadale could be built upon to facilitate economic growth and investment across the broader area. The proposal is consistent with facilitating the objectives of the State Government's *Directions 2031 and Beyond* planning framework. Armadale continues to be the major service centre for the Byford and Mundijong residents given the limited range of services available in those areas, and the boundary change is considered to be a positive step on the basis of economic factors. However, the addition of a substantial amount of additional territory may have potential impacts for the Shire of Murray.

The history of the area

There are some historical links between the areas, and in the Board's view, there are no significant differences in the history of the areas to suggest that the proposed boundary changes should not proceed. It is noted that Byford and adjacent areas were formerly part of the City of Armadale. The history of particular communities and local governments would not be lost by a boundary change, but a new chapter in local history would be opened. The history of the area is not considered a major factor in assessing this proposal.

Transport and communication

With the potential for greater integration of transport planning in this area, the boundary change is considered by the Board to offer transport benefits to the residents and businesses of the area together with the potential for improved access to services. Armadale is a significant local transport hub, and there is potential for its links to be improved, including through extension of metropolitan passenger rail services. The proposal increases planning capacity for the Armadale district and better integration of the transport implications of greenfield development. This includes the proposed Tonkin Highway extension which will be managed within one local government. However, there is a potential impact through increased infrastructure costs for the Shire of Murray as it would take on a significant increase to its road network.

Matters affecting the viability of local governments

The proposed boundary change significantly improves parity compared to existing local governments and will result in increased financial sustainability. The WATC analysis shows that Armadale and north Serpentine Jarrahdale has above benchmark sustainability scores and very well balanced financial ratios. The combined Murray and south Serpentine Jarrahdale entity would have adequate or

strong ratio scores on many key ratios, with the exception of current ratio and operating surplus which are below benchmark. Given the financial strength of the proposed Armadale Serpentine Jarrahdale local government, and the potential to address sustainability issues and rationalise some duplicated infrastructure assets, the boundary change is considered by the Board to have positive benefits. The local government would have sufficient financial capacity to support the understanding and management of the financial implications of rapid urban growth. However, there would be a potential impact for the Shire of Murray, which is below industry benchmarks on financial sustainability.

The effective delivery of local government services

The effective delivery of local government services would be maintained and potentially enhanced under the proposed Armadale local government. The Board believes it would have the capacity and resources to deliver services at least to a comparable standard to those currently provided. The proposal is consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community. Major projects identified in community plans could proceed, while capacity to undertake some projects would be enhanced.

The proposal would result in the predominantly urban areas of Serpentine Jarrahdale being managed by Armadale, and the predominantly rural areas being managed by the Shire of Murray. The organisational capacity within the City of Armadale is expected to result in stronger management for the urban growth areas in Byford and Mundijong. However, there would be an impact on the Shire of Murray given more limited financial and organisational capacity to deliver services over the wider area.

Assessment of the Shire of Serpentine Jarrahdale's Proposal 21 against Local Government Advisory Board criteria

Proposal 21 was assessed and rejected by the Board.

From the Shire of Serpentine Jarrahdale submission:

"The Shire of Serpentine Jarrahdale has worked with its community to develop a feasible proposal for boundary changes, incorporating the Cities of Armadale, Kwinana and Rockingham and the Shire of Wandering. This Shire is in a good financial position, has visionary planning strategies in place, and are the best possible option to guide this community into the future as the Shire continues to experience rapid growth."

Community of interest

The Board notes some limited community of interest links between the areas proposed for addition to the Shire, including similar lifestyle properties and equine interests. The areas of circulation however would not be in common, as the western residents would more likely access services and facilities to the west in Kwinana or Rockingham rather than to the east in Mundijong or Armadale. There are no compelling issues of community of interest in the various localities affected by the proposal to suggest that the boundary change should proceed.

Physical and topographic features

The specific boundaries for the proposed boundary change would not improve the capacity of the broader community to access services or enhance the capacity of the local government to service the community. In the Board's view, the proposed boundaries are not entirely logical, although under certain circumstances the Kwinana Freeway could be acceptable as a boundary.

Demographic trends

Significant population growth is expected in Serpentine Jarrahdale over the coming decades. The additional areas proposed to be added would increase the current Shire population by about 20%, but significant population growth is not expected in these areas. There is no compelling demographic evidence to support the proposed boundary change. Demographic trends are not considered a major factor in assessing this proposal.

Economic factors

While the Shire of Serpentine Jarrahdale's revenue base would be greater under this proposal, the expenditure requirements would also be greater. The Board believes the proposal does not significantly add to the economic diversity of the local government area. Economic factors are not considered a major factor in assessing this proposal.

The history of the area

There are no significant issues pertaining to the history of the areas relevant or supportive of the proposed boundary change. The history of the area is not considered by the Board to be a major factor in assessing this proposal.

Transport and communication

The boundary change is considered by the Board to offer few transport benefits to affected residents.

Matters affecting the viability of local governments

The proposed boundary change will result in improved financial sustainability of the Serpentine Jarrahdale Shire, although there are longer term challenges. The loss of the proposed areas does not materially affect the financial sustainability of the affected adjacent local governments. The WATC analysis shows that the proposal demonstrates a strong to adequate sustainability scores in all areas except asset renewal ratio, the only ratio under benchmark. The result is a reasonably balanced proposal.

The effective delivery of local government services

The Board believes the capacity of the Shire of Serpentine Jarrahdale to deliver local government services would not be materially improved by the proposed boundary change. Indeed, given the challenges the Shire is experiencing in servicing the rapidly growing population, an expansion in area may present additional service challenges. The Board does not consider it likely that residents of the affected area would receive better services than they currently receive from the Cities of Kwinana or Rockingham. In the bigger picture, the proposal is not consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community.

Review

The Armadale Proposal 5 and the Minister's proposal (11/2013). are identical, in that the Shire of Serpentine Jarrahdale would be abolished and its territory split between the City of Armadale and the Shire of Murray. The Shire of Serpentine Jarrahdale proposal 21 is a totally different submission and only proposes minor boundary amendments that would result in a relatively small increase in its population and territory.

The City of Armadale proposal 5 would bring together the strong south-eastern hills regional community of interest, centred on Armadale including the communities of Byford and Mundijong. As has been observed, the Armadale and Serpentine Jarrahdale areas have long been strongly connected communities.

The proposed local government for the south-eastern hills is focussed on the strategic metropolitan centre of Armadale. As a significant service centre, Armadale's service catchment includes rural areas to the south and east of Armadale and beyond the metropolitan area boundary. The primary trade area of the Armadale Shopping City encompasses both the Armadale and Serpentine Jarrahdale districts. The hospital and senior high school draws patients and students from the Serpentine Jarrahdale district. The Armadale library also attracts users from the Shire. These observations provide support for the Minister's and the City of Armadale's proposed boundary change. There are limited community of interest links to support the Shire of Serpentine Jarrahdale proposal to incorporate parts of the Armadale, Kwinana, and Rockingham areas into its district, but the Board notes there is a rural style of living in common.

The Board considers that all proposals have the potential to generate positive outcomes to some degree. While the financial sustainability scores are reasonably high for these proposals, after considering all of the relevant criteria the Board assessed the City of Armadale proposal 5 as the best proposal for this area. However, close to the end of the inquiry the Board was concerned that this proposal might not represent the best outcome for the region, given the potential impact on the financial position of the Shire of Murray of the transfer of the southern portion of the Shire of Serpentine Jarrahdale. The Board sought to get more information and feedback in respect to the alternative of a complete merger of the City of Armadale and Shire of Serpentine Jarrahdale, given that it had not received a proposal to this effect. With this in mind, the Board published an intended recommendation on July 23 to this effect to seek more information and provide a further opportunity for the public and stakeholders to comment.

Intended recommendation for the City of Armadale's Proposal 5

The Board's published intended recommendation was for a boundary change to the City of Armadale to subsume the entire Shire of Serpentine Jarrahdale (refer to section 3.1 of the Appendices for a map of the Board's intended recommendations).

The Board's rationale for this recommendation included:

Community of interest

Extensive community of interest linkages between the Armadale and Serpentine Jarrahdale areas were noted. The capacity of the local government to engage the community would be strong. The service needs of specific communities of interest would be well served.

Physical and topographic features

The local government created as a result of the Board's recommendation would have a total area approaching 1,500 square kilometres, making it the second largest in the Perth metropolitan area. The specific boundaries for the proposed boundary change would not affect the capacity of the broader community to access services or the capacity of the local government to service the community.

Demographic trends

Substantial population growth is expected in the district, with a projected population for 2050 of 208,000. Armadale and Serpentine Jarrahdale have similar demographic profiles, particularly in terms of the qualifications, occupation and income of residents. The capacity of the local government to service the needs of the growing and changing community would be strong.

Economic factors

With a focus on the strategic activity centre of Armadale, the expanded local government will have enhanced capacity to work with the business community and promote economic activity resulting in job creation.

The history of the area

There are some historical links between the areas.

Transport and communication

Armadale is a significant local transport hub, and Serpentine Jarrahdale is relatively poorly served by public transport, so there is potential for links to be improved. There

is the potential for more effective lobbying and negotiation for extension of metropolitan passenger rail services.

Matters affecting the viability of local governments

Given the financial strength of the proposed Armadale- Serpentine Jarrahdale local government, and the potential to address sustainability issues and rationalise some duplicated infrastructure assets, the local government would have sufficient financial capacity to manage the financial implications of rapid urban growth.

The effective delivery of local government services

The delivery of local government services would be maintained and potentially enhanced, as the expanded local government would have significant capacity and resources to deliver services.

Submissions to the Local Government Advisory Board

for intended recommendation 1 for Proposal 5

Submissions were provided to the Board during the advertised public submission periods by local governments, industry groups, local businesses and affected ratepayers. A summary of these submissions is detailed below. Note the following summaries are the position put forward by those making the submission.

With a view to determining the best possible boundaries for this proposal, the Board published its intended recommendation to seek more information and provide a further opportunity for the public and stakeholders to comment.

Table 158 - Submissions on the Board's intended recommendation for Proposal 5

Origin of submissions	**Number of submissions**	
	Proposal 5 (amended)	
	For	Against
Local governments	0	3
Stakeholders	0	4
Individuals	7	29
Totals	7	36

Public submissions in support of Proposal 5 (as amended) cited either disenchantment with existing local governments or a general perception that the number of local governments should be reduced. Submissions against the proposal largely objected to the full absorption of the Serpentine Jarrahdale district by the City of Armadale.

Submissions from local governments

The City of Armadale, the Shire of Murray and the Local Implementation Committee (LIC) all made submissions against the suggested amendments to the City of Armadale's Proposal 5. In all cases, the rationale was that residential growth in the northern localities of the current Serpentine Jarrahdale district made them a natural part of Armadale's urban expansion, while the southern areas were seen as rural localities more appropriate for the Shire of Murray's service delivery model. The City of Armadale argued in its submission that these distinct communities of interest had been a dilemma for the Shire of Serpentine Jarrahdale itself, centred in Mundijong on the interface of the two regions. All three submissions supported the vicinity of Mundijong Road as the logical delineation between urban growth areas to the north, and more rural localities to the south.

Both the City of Armadale and Shire of Murray argued for continuation of their agreement to assume shared responsibility for what they considered to be the less sustainable Serpentine Jarrahdale district, rather than a scenario in which Armadale ratepayers may perceive themselves to be absorbing the full cost of improving governance to a larger region. The LIC noted that both the City and Shire had conducted extensive financial modelling to address issues of asset renewal and financial viability arising from acquisition of parts of the Serpentine Jarrahdale district.

The Shire of Murray also noted a strong community of interest between its own Shire and the localities south of Mundijong Road through mutual agricultural uses, and the support and protection of the Peel Harvey catchment.

The City of Mandurah reiterated its position that the Shire of Serpentine Jarrahdale in its entirety shares a community of interest with the Peel Region rather than the metropolitan area. However, in the event of any change, it supports the views of the City of Armadale and Shire of Murray that the northern localities of the Serpentine Jarrahdale district have greater connection with Armadale than the southern areas. The City noted that the Shire of Serpentine Jarrahdale is the region's largest agricultural producer and is critically placed within the Peel-Harvey Catchment Council's Natural Resource Management (NRM) area. It expressed concern at the viability of Peel as a distinct region should such a large portion of it become

associated with a Perth's urban expansion, and suggested that inclusion of the rural southern localities of Serpentine Jarrahdale in the Shire of Murray would allow them to factor into any future review of local government structures in the Peel Region.

Submissions from community

The Armadale Business Association (Business Armadale) believes the region covered by the proposal has distinctly separate communities of interest, supporting the view that the City of Armadale is more appropriate to manage the urban growth areas in the north of the current Shire of Serpentine Jarrahdale, while the Shire of Murray would be better equipped to service the rural areas to the south.

The Association believes that the amended proposal would distract the City of Armadale from focusing on its strength, which it considers to be the management of economic and social development issues associated with urban growth. It cites the City's success in advocating the needs of its community to State and Federal Government for infrastructure and investment. It similarly cites the Shire of Murray's success in the 'small town servicing' model that Serpentine Jarrahdale's southern localities would require.

The Association also contends that the City of Armadale is operationally structured for urban service delivery which already comes at a cost to its predominantly residential rates base. It argues that adapting to rural service expectations would impose additional pressure on that base. Similar views were expressed in a submission from WestZone Enterprises, the owner of Armadale Central Shopping Centre.

Review and recommendation for the City of Armadale and the Shire of Serpentine Jarrahdale

It was clear to the Board following the additional public consultation period that a complete merger of the City of Armadale and Shire of Serpentine Jarrahdale would be a less preferred outcome. Given the feedback received, and the advice received by the Board in further meetings with the City of Armadale and Shire of Murray, the Board reaffirmed an earlier conclusion and decided that the original Armadale proposal 5 would provide the 'best' local government boundaries for this area having considered, among other things, the impact of the Armadale proposal 5 and the Minister's proposal 11/2013 on the Shire of Murray.

The Board acknowledges that the City has greater financial and organisational capacity to handle the transition process. The Board's recommendation is therefore

considered to be more attuned to a good government outcome and in the best interests of local government and its residents and ratepayers in the districts. The Board's recommendation is consistent with the City of Armadale proposal for a boundary change.

The City of Armadale proposal 5 would bring together the strong south-eastern hills regional community of interest, focussed on the strategic metropolitan centre of Armadale, including the communities of Byford and Mundijong. As a significant service centre, Armadale's service catchment includes rural areas to the south and east of Armadale and beyond the metropolitan area boundary.

The Board considered that the southern portion of the Shire of Serpentine Jarrahdale has interests in common with the Shire of Murray. Mundijong Road is a logical northern boundary given the proposed urban developments north of the road, and that the land southwards will largely stay rural in nature similar to the Shire of Murray. The predominantly rural areas would be suitably managed by the Shire of Murray under its rural service delivery model. The combined Murray-Serpentine Jarrahdale entity, with a focus on the secondary activity centre of Pinjarra, would have adequate or strong ratio scores on many key ratios, with the exception of current ratio and operating surplus which are below benchmark. While the FSS score is below industry benchmarks for financial sustainability, the Shire of Murray's current position would actually be improved by the addition of territory.

Ward structure

The Board notes that a formal agreement was not reached between the two local governments on this matter. It is the Board's view that equitable representation and engendering a whole of council approach is enhanced by a district ward structure. The Board noted that a district ward structure would support a whole of community approach to decision making and focus on district priority needs, in particular, key growth and development corridors of Byford, Mundijong and west and north Armadale.

As there is not an agreed position between the two affected local governments on a ward structure the Board recommends that the merged entity operate under a district ward structure and that the City of Armadale's current ward structure be abolished following the incorporation of parts of the Shire of Serpentine Jarrahdale.

Representation

The Board notes that the City of Armadale's existing council of 14 office of councillor will be retained and will continue to represent the enlarged local government leading

up to the 2015 local government elections. All offices of councillor of the Shire of Serpentine Jarrahdale will be abolished on 30 June 2015.

Offices of councillor at the City of Armadale that expire in 2017 will see out their terms. Offices of councillor at the City of Armadale that expire in 2015 will be contested at the October 2015 local government elections.

Name of the new local government

The City of Armadale resolved to retain its current name under the enlarged local government. The Shire of Serpentine Jarrahdale did not express a view on a preferred name should it be incorporated into the City of Armadale. Should the City of Armadale seek to amend its name at a later date, it can do so under Schedule 2.2 clause 5(c) of the Act.

Recommendations

1. **The Local Government Advisory Board after formally inquiring into the proposal identified as Proposal 21 recommends pursuant to clause 6 (1)(a) of Schedule 2.1 of the Local Government Act 1995 that the Minister for Local Government reject the proposal.**

2. **The Local Government Advisory Board after formally inquiring into the proposal identified as Proposal 11/2013 recommends pursuant to clause 6 (1)(a) of Schedule 2.1 of the Local Government Act 1995 that the Minister for Local Government reject the proposal.**

Proposal 5 (Armadale/Serpentine Jarrahdale/Murray)

The Local Government Advisory Board (the Board) recommends to the Minister:

1. pursuant to clause 6 (1) (b) of Schedule 2.1 to the *Local Government Act 1995* (Act), that an order be made, under section 2.1 (1) (d) of the Act:

(a) abolishing the district of the Shire of Serpentine Jarrahdale;

[see Act s2.1 (1) (c)]

(b) changing the boundaries:

(i) of the district of the City of Armadale; and

(ii) of the district of the Shire of Murray,

to reflect those shown in Sections 1.8 and 1.9 of the Appendices.

[see Act s2.1 (1) (b)]

2. pursuant to clause 10A (1) (a) of Schedule 2.1 to the Act, that an order be made, under section 2.2 (1) (e) of the Act:

(a) <u>abolishing</u> all of the wards into which the districts of:

(i) the City of Armadale; and

(ii) the Shire of Murray,

are divided;

[see Act s2.2 (1) (d)]

(b) <u>dividing</u> the district of the Shire of Murray into wards as shown on the map at page 588 of the Report.

[see Act s 2.2 (1) (a)]

3. pursuant to clause 10A (1) (a) of Schedule 2.1 to the Act, that:

(a) the order referred to at para 2 (b) above, which is required to <u>include</u> an order <u>naming</u> the wards, name the wards: North and South Wards, as shown on the map at page 588 of the Report;

[see Act s2.3 (2)]

(b) an order be made under s2.18 (3) (c) of the Act:

(i) <u>changing</u> the number of offices of councillor on the council for the district of the Shire of Murray to 10 offices;

[see Act s2.18 (3) (a)]

(i) specifying that the number of offices of councillor for the wards be:

(A) South: 8 offices of councillor;

(B) North: 2 offices of councillor.

[see Act s2.18 (3) (b)]

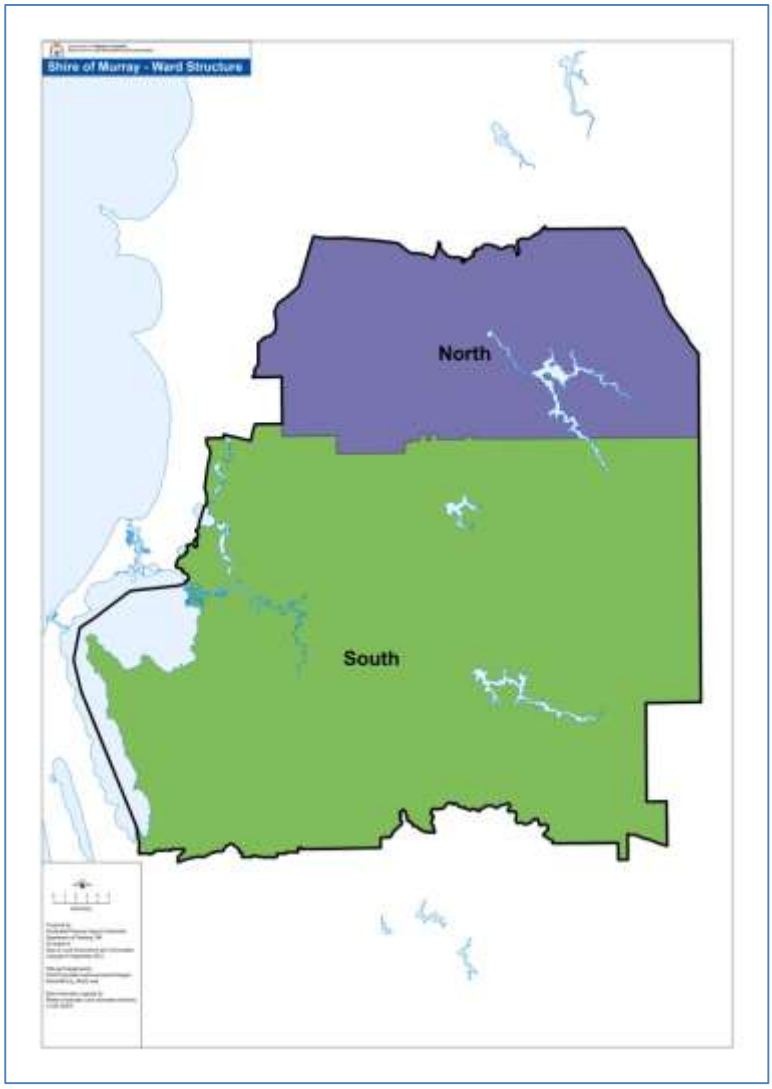
Review and recommendations for the Shire of Murray and the Shire of Serpentine Jarrahdale

Ward structure

The Shire of Murray has proposed two wards; one ward based on the Shire's current district boundary and the second ward based on the incorporated area of the Shire of Serpentine Jarrahdale. The Shire of Murray advised preference for each ward to be referred to as North Ward (Serpentine Jarrahdale portion) and South Ward (current Shire of Murray).

The Board supports the Shire of Murray's submission noting that it is the recommended proposal of the Board and reflects discrete communities north and south of the district. The Board therefore recommends that the Shire of Murray operate under a two ward system.

Figure 17 - Shire of Murray - recommended ward structure



Representation

The Board notes that Shire of Murray's preference is for 10 offices of councillor. The Shire currently has nine offices of councillor and a President elected by the council. The Board therefore recommends that the Shire of Murray comprise 10 offices of councillor.

Name of the new local government

As the Shire of Murray is the continuing local government, there will be no change to the name or designation of the local government. Should the Shire of Murray seek to amend its name at a later date, it can do so under Schedule 2.2 clause 5(c) of the Act.

Recommendation

Please see the Board's recommendation on page 586 of this report.

6.10 Inquiries into proposals affecting the Towns of Cambridge, Claremont, Cottesloe, Mosman Park, Cities of Nedlands and Subiaco and Shire of Peppermint Grove

Overview of relevant proposals

This section presents the findings of the Board's Inquiries into proposals affecting the Towns of Cambridge, Claremont, Cottesloe, Mosman Park, Cities of Nedlands and Subiaco and Shire of Peppermint Grove.

Primary:

3. Town of Claremont: Amalgamation of Claremont, Cottesloe, Mosman Park and Peppermint Grove, and incorporation of Mount Claremont and Swanbourne from the City of Nedlands.

4. Town of Cambridge (1): Boundary adjustment, extend the northern boundary to incorporate areas of Glendalough, Herdsman, Wembley Downs, Woodlands and Churchlands from the City of Stirling.

12/2013 Minister's Proposal: Amalgamation of the Town of Cambridge, Town of Claremont, Town of Cottesloe, Town of Mosman Park, Shire of Peppermint Grove, City of Nedlands and City of Subiaco.

17. Town of Cambridge (2): Boundary adjustment, to incorporate areas of the Cities of Nedlands, Subiaco and Stirling (in the localities of Herdsman, Wembley Downs, Woodlands and Churchlands).

24. Town of Mosman Park: Amalgamation of Claremont, Cottesloe, Peppermint Grove, and Mosman Park, and boundary adjustment to incorporate the suburbs of North Fremantle from City of Fremantle, Crawley from City of Perth and City of Subiaco, majority of the City of Nedlands, part Mt Claremont from Town of Cambridge.

Secondary:

02/2013 Minister's Proposal: Boundary amendment to incorporate into the proposed new western suburbs local government the localities of Churchlands, Herdsman, Wembley Downs and Woodlands (part), all of which are currently located in the City of Stirling. (see Section 6.2)

11. City of Stirling: Boundary adjustment with the Town of Cambridge to include the transfer from the City of Stirling the suburbs of Wembley Downs (part), Churchlands, Wembley, Herdsman and Glendalough. (The City of Stirling no longer supports this position and its preference is to maintain the status quo). (see Section 6.2)

22. City of Subiaco: An amalgamation between the Subiaco and an expanded Perth (as per Proposal 14), incorporating areas from the Cities of Nedlands and Vincent and the Town of Victoria Park. (For recommendation see Section 6.1)

26. City of Perth (2): Boundary adjustment to include all areas of the City of Perth proposal 14 and in addition, an area of the City of Subiaco and West Leederville from the Town of Cambridge and land around Beatty Park in the City of Vincent. (For recommendation see Section 6.1)

Table 159 - Proposals to Local Government Advisory Board affecting Western Suburbs local governments

Proposal Number	Proposal name	Population estimate	Revenue estimate
4	Town of Cambridge	45,341	$48.7M
17	Town of Cambridge	59,681	$92.9M
3	Town of Claremont	36,681	$52.9M
22	City of Subiaco	46,725	Not stated
24	Town of Mosman Park	59,792	$70.3M
26	City of Perth	46,500	Not Stated
12/2013	Minister's Proposal – Western Suburbs	112,351	$175M

Context

3. Town of Claremont proposal

The Town of Claremont has proposed an amalgamation with the Towns of Cottesloe, Mosman Park and Shire of Peppermint Grove. The proposal also identifies a boundary amendment to transfer areas of Mount Claremont currently in the Town of Cambridge into the proposed new entity. The Town also proposes to incorporate areas of Mount Claremont and Swanbourne from the City of Nedlands into the new entity. The Town believes that the proposal, whilst delivering a relatively small council, would more likely be acceptable to the community than a merger of a group

of seven. Further, whilst delivering an increase in operating capacity and rationalisation of duplicated expenditure the council is still of a scale that reflects community based local government.

4. Town of Cambridge proposal (1)

The Town of Cambridge proposal is for a boundary adjustment whereby it would absorb the southern portion of the City of Stirling extending from the Mitchell Freeway, bordering Herdsman Lake and along Cobb Street to the ocean (being Glendalough, Herdsman, Wembley Downs, Woodlands and Churchlands). The Town proposes to transfer the area of Mount Claremont from within its district and consolidating it in its entirety in the City of Nedlands. The Town also proposes to cede its portion of Jolimont to the neighbouring City of Subiaco. Localities in the City of Nedlands which would be transferred to the Town of Cambridge include Shenton Park, Floreat and Swanbourne. The suburb of Mount Claremont is currently split across the Town of Cambridge and the City of Nedlands. The Town of Cambridge estimates that the additional land area would increase the Town's population by 14,788 to 42,000, a 54% increase on the current population.

17. Town of Cambridge proposal (2)

The Town's second and its preferred proposal incorporates a significant proportion of the City of Subiaco extending south to Aberdare Road. The proposal is for the new local government to be renamed the 'City of Subiaco' in recognition of the centre of the Subiaco commercial and business district. The proposed local government will include the entire suburbs of City Beach, Floreat, Wembley Downs, Churchlands, Herdsman, Wembley, West Leederville, Subiaco, Jolimont, Daglish, Shenton Park and Woodlands (part).

22. City of Subiaco proposal

This proposal is for an amalgamation between the City of Subiaco and an expanded City of Perth (as per proposal 14). The boundary changes include the addition of portions of the City of Vincent and Town of Victoria Park (as per proposal 14) but the notable difference, in addition to the inclusion of the whole of the City of Subiaco, is the additional area of the Nedlands locality (to Smythe Road/Bruce Street) of the City of Nedlands.

24. Town of Mosman Park proposal

The Town's proposal is to amalgamate with the local governments of Claremont, Cottesloe, Peppermint Grove, and the majority of Nedlands, together with boundary

changes to incorporate a portion of Mount Claremont (Town of Cambridge), and the suburbs of North Fremantle (City of Fremantle) and Crawley (Cities of Subiaco and Perth). The Town proposes that the remaining councils of Subiaco and Cambridge should merge creating a two council structure over the western suburbs – a northern and southern council.

12. Minister's proposal 12/2013

The Minister for Local Government's amalgamation proposal is for an amalgamation of the seven western suburb local governments comprising Cambridge, Claremont, Cottesloe, Mosman Park, Nedlands, Peppermint Grove and Subiaco. A new local government would be created. The northern boundary would be extended to include the suburbs of Churchlands, Herdsman, Wembley Downs and Woodlands (part) currently within the City of Stirling (consistent with proposal 02/2013). The proposal also includes a boundary amendment to incorporate into the City of Perth the University of Western Australia, the Queen Elizabeth II Medical Centre and Hollywood Private Hospital, currently located in the Cities of Subiaco and Nedlands. The Minister's proposal also extends boundaries adjacent to the Swan River to the mid-point of the Swan River.

Common elements and points of difference of the proposals

The transfer of the suburbs of Churchlands, Herdsmen, Wembley Downs and Woodlands (part) from the City of Stirling into a western suburb local government are boundary amendments in common between the Minister's proposal 12/2013 and the Town of Cambridge Proposals 4 and 17. While the City of Stirling no longer supports any change to its boundary, its proposal 11 included its south west boundary being amended to Hale Road to excise the suburbs of Wembley Downs, Churchlands and Wembley to the Town of Cambridge. It is noted the Town of Cambridge 4 and 17 proposals sought to increase its northern boundary to Cobb Road.

While Proposals 17 and 24 mention the creation of two local governments across this region (north and south) neither are similar in geography, nor is there agreement from all affected local governments. Similarities exist between the Claremont proposal 3 and Mosman Park proposal 24. The local governments included in the proposed amalgamation are the same; however, proposal 24 also incorporates a large majority of Nedlands and the suburb of North Fremantle.

A considerable point of difference is the resulting number of western suburb local governments under each of the six proposals. These include:

- Town of Cambridge Proposal 4: an enlarged Town of Cambridge only, implication is that the other six western suburbs local governments would remain;
- Town of Cambridge Proposal 17: merger of two local governments, through a boundary adjustment with the majority of the City of Subiaco;
- Town of Claremont Proposal 3: merger of four local governments comprising Claremont, Mosman Park, Cottesloe and Peppermint Grove;
- City of Subiaco Proposal 22: is an amalgamation of the whole of the City of Subiaco and an expanded City of Perth;
- Town of Mosman Park Proposal 24: reducing the number of western suburbs councils from seven to two, through amalgamation of four local governments comprising Claremont, Cottesloe, Peppermint Grove, Mosman Park and boundary change to incorporate the majority of Nedlands and the suburbs of North Fremantle and Crawley. It also suggests the remaining local governments of Cambridge and Subiaco merge to create a north / south local government scenario in the western suburbs; and
- The Minister's Proposal 12/2013: amalgamation of all seven councils to create one local government for the western suburbs.

Many of the proposals, such as the Town of Claremont proposal (with an estimated population of 36,000), would result in local governments with populations well below the Government's expressed preference of more equally sized local governments into the future of approximately 100,000 residents.

Local government history and boundary changes

The Noongar people are the traditional custodians and original inhabitants of this area of country. The suburbs comprising the seven local governments emerged from the opening of the Perth to Fremantle railway in 1881 provided further impetus for development along the western suburbs corridor. The Claremont Road Board (established in 1893) initially had jurisdiction over the localities from Crawley to North Fremantle, comprising all of the current western suburb local governments, excluding Cambridge. As the area became more intensely settled, and following representation from local residents, the surrounding districts were established as road boards/municipalities from around 1895. The Town of Cambridge was created under the *City of Perth Restructuring Act 1993* which resulted from a boundary change to the then City of Perth to create three satellite local governments.

Table 160 - Vital statistics for current Western Suburbs local governments

Vital statistics	Cambridge	Claremont	Cottesloe	Mosman Park	Nedlands	Peppermint Grove	Subiaco
Area (land) (sq km)	22	4.9	4	4.3	20.6	1.5	7.1
Population (2012)	27,277	10,244	8,337	9,465	22,611	1,705	19,196
Average annual growth 2007/2012	7.7%	7.6%	8.7%	5.1%	4.8%	1.4%	8.5%
Population density (per sq.km.)	1,238.7	2,054.2	2,178.8	2,139.2	1,128	1.1	2,748
Total number of dwellings	10,250	4,427	3,510	3,997	8,073	579	9,132
Value of building activity *$m	$139.798m	$36.092m	$6.667	$33.203m	$111.327m	$3.424m	$72.279m
Length of sealed roads (km)	194	48	45.7	50.4	150	10.6	117
No. Employees	190	68	42	51	148	20	206
Residents per employee	143.5	150	198.5	185.5	152.7	85.2	93.1
Total rate revenue ($)*	20,879,900	11,200,000	8,400,000	7,600,000	19,400,000	2,600,000	19,900,000
Total operating revenue ($)*	68,216,500	20,400,000	10,500,000	10,300,000	29,000,000	4,300,000	42,800,000
Total operating expenditure ($)*	39,706,200	17,000,000	11,500,000	10,600,000	28,100,000	4,500,000	42,200,000
Total rate revenue per capita ($)	765	1,093	1,008	803	858	1,525	1,037
Total operating revenue per capita ($)	2,501	1,991	1,259	1,088	1,283	2,522	2,230
Total operating expenditure per capita ($)	1,456	1,659	1,379	1,120	1,243	2,639	2,198
Rates as % of operating revenue	30%	55%	80%	74%	67%	60%	46%
Average rate per assessment 12/13	$1,321	$1,773	$1,965	$1,828	$1,855	$3,267	$1,281

Table 161 - Vital statistics for the proposals affecting the Western Suburbs local governments

Vital statistics	Ministers Proposal 12/2013	Proposal 3	Proposal 17*	Proposal 24
Area (land) (sq km)	65	14.7	40.6	35.3
Population (2012)	98,835	29,571	56,597	56,408
Average annual growth 2007/2012	6.8%	6.7%	No data	7.8%
Population density (per sq.km.)	1,520	2,011.6	1,390	1,483.3
Total number of dwellings	39,968	12,513	No data	20,586#
Value of building activity *$m	$402.79	$72.719m	$93.962m	$184.046m
Length of sealed roads (km)	615.7	154.7	382.3	304.7
No. Employees	725	181	446.5	329
Residents per employee	136	163.3	No data	159.1
Total rate revenue ($)*	82,589,552	34,402,184	45,057,351	52,101,990
Total operating revenue ($)*	147,558,546	52,789,136	88,118,087	79,774,849
Total operating expenditure ($)*	138,147,354	48,369,720	77,697,932	72,297,246
Total rate revenue per capita ($)	835	1,163	796	923
Total operating revenue per capita ($)	1,492	1,785	1,556	1,414
Total operating expenditure per capita ($)	1,397	1,635	1,372	1,281
Rates as % of operating revenue	56%	65%	51%	65%

Figures do not include Crawley or North Fremantle

Proposals previously considered by the Local Government Advisory Board

The Board has considered previous proposals for boundary adjustments affecting Nedlands, Subiaco and Cambridge, including the following:

- Proposal to realign the boundary between the City of Nedlands and Town of Cambridge (2005);
- Proposal to realign the boundary between the Cities of Nedlands and Subiaco (2006/7);
- Proposal to create a Shire of Dalkeith (2009); and
- Proposal to amalgamate the Cities of Subiaco and Nedlands (2011).

In 2002, the then Minister for Local Government approved the Board's recommendation that 62 properties in the suburb of Glendalough be transferred from the City of Stirling to the Town of Cambridge. None of the above other proposals were progressed. The recent (2011) proposal from the City of Nedlands was contested by the City of Subiaco through the Supreme Court. The Court ruled in favour of the City of Subiaco and the inquiry did not proceed.

Regional cooperation and resource sharing

The seven local governments collaborate across the following areas:

- Western Suburbs Regional Organisation of Councils (Cambridge participates in projects as necessary).
- Metropolitan WALGA Zone.
- Metropolitan Regional Road Group
- Western Metropolitan Regional Council (excluding Nedlands and Cambridge).
- Western Central Local Emergency Management Committee (*Emergency Management Act* 2005) (also includes City of Vincent).
- Swan River Trust (excluding Cambridge).

Demographic Characteristics

Population growth in the western suburbs region is relatively low compared to the wider metropolitan region. Cambridge, Subiaco and Mosman Park are expected to have higher rates of growth than the other areas.

Table 162 - Local government populations 2011 to 2026

Local Government	Projected Population*						
	2011	2016	Growth from 2011 %	2021	Growth from 2011 %	2026	Growth from 2011 %
Cambridge	27,600	28,900	4.7%	30,000	8.7%	31,000	12.3%
Claremont	9,900	10,000	1.0%	10,100	2.0%	10,100	2.0%
Cottesloe	8,300	8,600	3.6%	8,800	6.0%	9,000	8.4%
Mosman Park	9,700	10,300	6.2%	10,900	12.4%	11,400	17.5%
Nedlands	22,500	22,800	1.3%	22,900	1.8%	23,00	2.2%
Peppermint Grove	1,800	1,800	0.0%	1,800	0.0%	1,700	-5.6%
Subiaco	19,100	20,400	6.8%	21,500	12.6%	22,600	18.3%
Metro Perth	1,752,500	1,939,500	10.7%	2,105,700	20.2%	2,276,900	29.9%

*Source: Western Australian Planning Commission (2012) WA Tomorrow (Band C projections) http://www.planning.wa.gov.au/dop_pub_pdf/PlanningSummary.pdf

There are a number of overlapping communities of interest across the western suburbs given the close proximity between localities and to the secondary and district activity centres which meet the convenience needs of residents. The seven local governments fit into three broad size ranges: three larger local governments, the three small local governments and then Peppermint Grove in a size category of its own.

Table 163 - Localities affected by Cambridge, Claremont, Mosman Park, Subiaco, Perth and Minister's proposals

Locality	Pop.(2011 Census)	Town of Cambridge Proposals 4 &17	Town of Claremont Proposal 3	Town of Mosman Park Proposal 24	City of Subiaco Proposal 22	City of Perth Proposal 26	Minister's Proposal 12/2013
Glendalough (Stirling)	2,203	Yes (Proposal 4)	No	No	No	No	No
Herdsman (Stirling)	N/A	Yes	No	No	No	No	Yes
Wembley Downs (Stirling + Cambridge)	5,881	Yes	No	No	No	No	Yes
Woodlands (Stirling)	3,967	Yes	No	No	No	No	Yes
Churchlands (Stirling)	2,749	Yes	No	No	No	No	Yes
Jolimont (Cambridge)	8,239	Yes	Yes	No	No	No	Yes
West Leederville	3,764	Yes	Yes	No	No	Part	Yes
Wembley (Cambridge)	8,397	Yes	No	No	No	Part	Yes
Floreat *(Nedlands)*	1,325	Yes	No	No	No	No	Yes
Floreat (Cambridge)	6,273	Yes	No	No	No	No	Yes
Mt Claremont (Cambridge)	264	Transfer to Nedlands	Yes	Part	No	No	Yes
Mt Claremont (Nedlands)	4,185	No	Yes	Yes	No	No	No
Daglish (Cambridge)	2,124	Yes	No	No	No	No	Yes
Shenton Park (Subiaco)	4,215	Yes	No	No	Yes	Yes	Yes
Shenton Park (Nedlands)	317	Yes	Yes	No	No	No	Yes

Locality	Pop.(2011 Census)	Town of Cambridge Proposals 4 &17	Town of Claremont Proposal 3	Town of Mosman Park Proposal 24	City of Subiaco Proposal 22	City of Perth Proposal 26	Minister's Proposal 12/2013
Subiaco	8,445	Yes	No	Yes	Yes	Part	Yes
Crawley (Subiaco)	2,827	No	No	Yes	Yes	Part	Part
Crawley (Perth)	1,025	No	No	Yes	Yes	Yes	Yes
Dalkeith	4,258	No	No	Yes	No	No	Yes
Karrakatta	0	No	No	Yes	No	No	Yes
Nedlands	10,184	No	No	Yes	Part	Part	Yes
Swanbourne (Nedlands)	1,600	Yes	Yes	Yes	No	No	Yes
Peppermint Grove	1,705	No	Yes	Yes	No	No	Yes
Cottesloe	8,337	No	Yes	Yes	No	No	Yes
Mosman Park	9,465	No	Yes	Yes	No	No	Yes
Claremont	9,258	No	Yes	Yes	No	No	Yes
Swanbourne (Claremont)	1900	No	Yes	Yes	No	No	Yes
QEII	N/A	No	No	Yes	Yes	Yes	No
UWA	N/A	No	No	Yes	Yes	Yes	No
Hollywood Hospital	N/A	No	No	Yes	Yes	Yes	No
North Fremantle	2,986	No	No	Yes	No	No	No
City of Perth	17,487	No	No	No	Yes	Yes	No

Table 164 - Distances between suburbs

Suburb	Distance to Subiaco	Distance to Claremont	Distance to Mosman Park	Distance to Floreat
Nedlands	6km	2km	5.7km	7km
Peppermint Grove	9km	3km	1.3km	11km
Cottesloe	10km	3.4km	2km	10km
Wembley	1km	6.3km	10km	3km
Mosman Park	10km	4.3km	na	11km
Churchlands	4.3km	7km	11km	2.5km
Glendalough	3.2km	8.4km	12.3km	4.2km
Woodlands	6.7km	10.4km	15km	4.8km

Source: Google Maps Directions

The Board considered detailed demographic information in respect of the proposals, drawing on the analysis it commissioned.[116] The age profile of the seven local governments reflects an older population than that of metropolitan Perth, particularly in the age demographic of 65 years and older which is considerably higher than the metropolitan average. The average age of the western suburbs population of 39 is also higher than the metropolitan average of 36.

The seven local governments have similar demographic profiles, particularly in terms of the qualifications, occupation and income of residents. The number of couples with no children is similar across all the local governments, which is notably higher than the metropolitan average. There are significant differences between dwelling types reflective of each local government's planning scheme. Of note is that 85% of Nedlands' housing stock is comprised of separate dwellings, compared with 42% in Subiaco, 60% in Mosman Park and 65% in Claremont. Similarly, semi-detached housing in Peppermint Grove constitutes 2% compared with 7% in Nedlands and up to 22% in Subiaco.

The largest sector for industry employment is in the Health Care and Social Assistance sector (Cambridge - 39.3%, WESROC – 30%). The statistics reflect the proximity of QEII and other hospitals, UWA, and ancillary services as the predominant employers in the region. The residents of the western suburbs local governments were noted to have similar employment characteristics.

[116] Metropolitan Local Government Reform Demographic Analysis, Geografia 2014

Community of interest

The Board has previously expressed the view that the external boundaries of a local government should reflect distinct communities of interest wherever possible. The following observations about communities of interest in the western suburbs area were noted by the Board.

Journey to work: Perth CBD is the most significant work location for both Cambridge (24.9%) and WESROC[117] (25%) residents. The majority of the western suburb's working residents (26,623 or 60%) travel outside of the area for employment. Of the 63,544 people who work in the western suburbs area, 14,303 or 22% also live in the area. The UWA and medical facilities located in the western suburbs provide significant employment opportunities not only for the local community, but also attract employees from a broader region in response to the knowledge based and specialist opportunities available.

Educational Facilities: The western suburbs contain an estimated 35 primary schools and 11 high schools. The majority of the latter are private colleges (such as Scotch College and St Hilda's) and therefore catchment areas are not limited to surrounding neighbourhoods. There are two government high schools (Shenton College and Perth Modern School). While the latter is a school without a specified local intake area, the catchment (local intake) area of Shenton College is essentially the western suburbs, from Mosman Park up to Cambridge Street in the Town of Cambridge.

The area also includes the University of Western Australia and a number of specialist research institutes located in close proximity. The population of UWA provides a significant contribution to the local economy and vibrancy of surrounding suburbs. In 2013 there were almost 25,000 people enrolled at the University and a further 4,000 employees.[118] Curtin University has a health research campus located in Shenton Park.

Newspaper circulation: Suburban papers circulated in the area affected by the proposals include the Western Suburbs Weekly and Post Newspapers (various editions). The circulation areas of the papers are largely consistent with the broader western suburbs area as per the Minister's proposal 12/2013.

State Electoral Districts: There are three State Legislative Assembly seats spanning the western suburbs region: Churchlands, Cottesloe and Nedlands. All affected western

[117] WESROC comprising the councils of Claremont, Cottesloe, Mosman Park, Nedlands, Peppermint Grove and Subiaco is used as individually information is largely unavailable.
[118] Source: www.uwa.edu.au – UniStats 2013

suburbs local governments and electorates are part of the North Metropolitan Region for Legislative Council elections.

Commonwealth Electoral Districts: All of the areas affected by the proposals for the western suburbs region are located within the Federal electorate of Curtin. This electorate also includes the southern portion of the City of Stirling (Doubleview, Wembley Downs), part of the City of Vincent (North Perth) and part of the City of Perth (West Perth). North Fremantle is located in the division of Fremantle.

Public transport: The Fremantle to Perth rail line passes through the western suburbs. The region is also serviced by almost 20 bus routes providing highly integrated transport options between districts; to the CBD and interchange train stations. Stirling Highway is a major corridor. The proposed new light rail network Metro Area Express, or MAX could potentially have a links to Queen Elizabeth II Medical Centre and UWA.

Community of interest: Summary and comment

It is clear to the Board that there are strong community of interest links between the western suburbs areas:

- Green spaces, tree lined streetscapes and building character of residential areas are relatively similar reflecting similar periods of development.
- Demographic characteristics are very similar.
- Residents already access facilities / provided in neighbouring local governments.
- Industry of employment and journey to work patterns are very similar.
- Shenton College's local intake area captures students from across the western suburbs.
- The seven local governments already work collaboratively on regional issues such as environmental initiatives through membership of the Western Suburbs Regional Organisation of Councils (WESROC).
- The Stirling Highway is a significant activity corridor and the economic spine for the western suburbs.
- Connectivity between communities is further heightened by the close proximity of neighbourhood centres.
- The western suburbs are well connected by multiple public transport options which provide a high level of service to residents, students and other visitors.
- Residents of the area receive the same local community newspapers.

- All seven western suburbs local governments are in the same Legislative Council electoral region however are split between the Legislative Assembly Seats of Churchlands, Cottesloe and Nedlands.
- All seven western suburbs local governments are located within the Federal electoral division of Curtin.
- At the both the State and Federal level, each electorate has a long history of conservative/Liberal political representation.

The western suburbs areas have a long tradition of strong connections. This supports a level of community self-containment such that essential services and opportunities to grow social capital are located within close proximity or accessible by most residents.

The 'vision' and strategic plans of the councils can also be pointers to common interests. The Board notes that common values can give rise to community of interest. From a review of the council's vision statements, diversity and vibrancy are noted as common themes. With similar emphasis on lifestyle, green spaces and streetscapes and heritage also noted as being in common, the Board considers that there is nothing in the vision statements to suggest the communities would not be able to coexist.

The Board found no evidence of compelling points of difference between the various localities affected by the proposed changes to suggest that the amalgamations or boundary changes should not happen. The Board also found no evidence that if a change if did happen, that it would impact negatively on residents and service delivery. Rather, the Board found strong evidence of community of interest linkages between the western suburbs areas. This is borne out by other research. A 2005 report commissioned by WESROC, highlighted the strong community identity evident in the western suburbs, suggested that '*the region is distinctly different from other areas of the Perth metropolitan area'*, citing age profile, owner occupiers, workforce participation, unemployment rates, occupations, property values, and tertiary qualifications.[119]

Economic Considerations

The economic activity in the western suburbs comprises mainly commercial offices and a mix of service industries including health, education, retail, hospitality and other professional services. There is no heavy industry and very little light industry in the area. The western suburbs region is limited in its ability to develop any new industrial area. Commercial opportunities may be identified into the future once the Australian Football League relocates from Subiaco to the new stadium at Burswood. Relocation of the Perth

[119] Goode, S. (September 2005). Strengthening regional cooperation in the western suburbs. Perth, WA, p7. Undertaken for the Western Suburbs Regional Organisation of Councils (WESROC).

Children's Hospital and King Edward Memorial Hospital to the redeveloped QEII site will free up valuable land for large scale mixed use development reflective of Directions 2031 targets as well as commercial/retail opportunities.

Proposals 4, 17, and 12/2013 comprise at least one secondary centre as identified in Directions 2031. The Claremont and Subiaco CBDs and the Stirling Highway economic corridor provide significant employment and economic opportunities to meet the needs of surrounding residents. The reported trade area of the Claremont Quarter largely corresponds with the geographic area of Minister's proposal 12/2013. The Stirling Highway activity corridor provides employment, retail, public transport, recreational and community facilities and professional services to surrounding communities and the broader metropolitan area. The importance of the corridor meeting the needs of future users is recognised in the Department of Planning's Stirling Highway Activity Study. Numerous specialist health and education services are located in the district clustered around the university and hospital precincts, reflecting healthcare and services sectors being the predominant employers in the area.

Public Infrastructure

Significant public and private infrastructure is already present and shared between the western suburbs local governments. It includes the roads and rail network, health and education establishments, and recreation and community facilities. Cambridge and Subiaco are the principle providers of community infrastructure including recreational and sporting facilities to surrounding residents. Local government and community infrastructure in the region includes seven local government offices, numerous local government depots, six local government libraries (Peppermint Grove[120], Mt Claremont, Claremont, Subiaco, Nedlands, Floreat), the Claremont and Bold Park Aquatic Centres, Claremont and Subiaco Ovals, multiple community centres/halls, Wembley and Lake Claremont public golf courses, a Regional Council rubbish transfer station and processing facility, many parks, gardens and playgrounds and foreshore reserves.

Environmental Context

The environmental context of the western suburbs region can be described as being on the Swan Coastal Plan, incorporating the environs of the Swan River as it heads west to the Indian Ocean. The area comprises diverse ecosystems including the Swan River, wetlands, coastal areas and important remnant bushland and Bush Forever sites. Bold Park in in the Town of Cambridge encompasses 437 hectares and is the largest

[120] A shared facility for residents jointly funded by the Cottesloe, Mosman Park and Peppermint Grove councils.

remaining remnant bushland in the urban area. The Botanic Gardens and Parks Authority (a State Government agency reporting to the Minister for the Environment) has management of Bold Park and Kings Park.

The local governments of Cambridge, Cottesloe, Mosman Park and Nedlands all have coastal frontages and Claremont, Mosman Park, Nedlands, Peppermint Grove and Subiaco front onto the Swan River. The latter are active partners with the Swan River Trust. There are also a number of significant wetlands across the western suburbs region under the jurisdiction of the various local governments and government agencies. The most significant is Herdsman Lake Regional Park covering an area of 160 hectares located in the Town of Cambridge and managed by the Department of Parks and Wildlife. Other significant wetland areas include Lake Monger, Perry Lakes in the Town of Cambridge and Lake Jualbup in the City of Subiaco.

Consolidation of local government provides the potential to address natural resource management issues. The potential reduction of metropolitan local governments would enhance foreshore and river management in the region. A consistent approach to planning and development along the river will protect the State's greatest natural asset for future generations and ensure the health of the river through better coordination and oversight. The benefits of having all significant wetland areas in the area also under one jurisdiction is worthy of consideration to facilitate coordinated management and protection of these sites into the future. Heritage is also a significant consideration in all areas.

Local Government

The local governments have made significant progress towards completing the statutory compliance requirements under the integrated planning and reporting framework. Analysis of the respective strategic community plans demonstrates a commitment in common towards sustainable development and green spaces.

There are more than 700 employees across the seven local governments, with significant duplication across executive roles, including seven CEOs and about 30 Directors and executive managers. There has been a significant increase in the number of staff employed by the local governments in the last ten years. There are 67 elected members representing 62,000 electors (total population of 100,000) with an overall elector ratio of 1:925, for an area of 65km^2. Total council expenditure (2013/2014) on elected members was budgeted at $1.34 million.

There is considerable duplication of infrastructure, with seven administration buildings, numerous depots, and six libraries as well as duplication in service delivery and administrative processes. Some of the affected local government administrations are

just 1.5 kilometres apart. This situation readily lends itself to scope for rationalisation of infrastructure while achieving more efficient and effective service delivery. Analysis undertaken by Hames Sharley some years ago demonstrated that the provision of facilities and services was occurring mostly on the basis of the broadly defined regions focused on the commercial centres of Claremont and Subiaco, leading to the conclusion that "continuing to provide key town centre facilities in these locations will accord with and reinforce existing communities of interest representing people's movement and activity patterns". [121] Both of the Town of Cambridge's proposals incorporate its depot, which is currently located outside of the Town's boundaries.

The proposals affecting the area each go some way towards addressing the inequity that exists across the area in respect of infrastructure responsibilities. This inequity is due to the general inability of smaller local governments to provide the same level of infrastructure or service, resulting in residents accessing services outside of their council areas in a neighbouring local government. Given the short distances between the existing local government areas, this is often remedied by a council financially contributing toward a particular asset or service.

Each local government has the required local planning strategies and town planning schemes to guide and control development in their respective areas, although some town planning schemes date back to the 1980s. Directions 2031 has a target of 12,600 new dwellings to be built between 2011-2031. All seven local governments are covered by the Metropolitan West Joint Development Assessment Panel. Subiaco has benefited from development facilitated by the Subiaco Redevelopment Authority, established in 1994 to revitalise the city based on a transit oriented design.

Local government financial information

With a rate base predominantly comprised of relatively highly valued residential properties, with significant commercial centres, the merging of local governments in the western suburbs generates the potential for a financially strong local government, with total revenue of around $140m (2013-14). GRV rates (cent in the dollar) are currently highest in Peppermint Grove and lowest in Nedlands; the average rates paid by western suburbs householders are amongst the highest in metropolitan Perth.

The combined financial assistance grant currently received by the local government's accounts for 1.1% of total operating revenue. The current general purpose grant for local governments identified in proposal 3 amounts to $625,000. For proposal 4, the current

[121] Hames Sharley, Jan Grimoldby, Pracsys & Bob Smillie Consultancy Pty Ltd. (2000). WESROC structural reform study. Perth, WA, p43

allocation to the Town of Cambridge of $573,056 would be adjusted to account for the enlarged new boundary. For proposal 17 the amount would be $976,340, and adjusted to reflect the new boundary. Proposal 12/2013 would total $2.076M; and adjusted to account for the amended external boundaries. The combined road grant component (2013/14 entitlement) is $1.184M million and would be apportioned according to the road assets transferred over in a boundary change.

With the assistance of the affected local government, information has been compiled for the Board in respect of the areas affected by these proposals (taking into account the sections of a local government where required) (Tables 168-172).

Table 165 – Local government financial data for current Western Suburbs local governments

Financial data	Cambridge	Claremont	Cottesloe	Mosman Park	Nedlands	Peppermint Grove	Subiaco
Total rate revenue ($)*	20,879,900	11,200,000	8,400,000	7,600,000	19,400,000	2,600,000	19,900,000
Total operating revenue ($)*	68,216,500	20,400,000	10,500,000	10,300,000	29,000,000	4,300,000	42,800,000
Total operating expenditure ($)*	39,706,200	17,000,000	11,500,000	10,600,000	28,100,000	4,500,000	42,200,000
Total rate revenue per capita ($)	765	1,093	1,008	803	858	1,525	1,037
Total operating revenue per capita ($)	2,501	1,991	1,259	1,088	1,283	2,522	2,230
Total operating expenditure per capita ($)	1,456	1,659	1,379	1,120	1,243	2,639	2,198
Rates as % of operating revenue	30%	55%	80%	74%	67%	60%	46%

Table 166 – Key financial information summary for each Western Suburbs proposal

Financial information	Town of Claremont Proposal 3	Town of Cambridge (1) Proposal 4	Town of Cambridge (2) Proposal 17	Town of Mosman Park Proposal 24	Minister's Proposal 12/2013
Total rate revenue ($)*	34,402,184	28,800,000	45,057,351	52,101,990	82,589,552
Total operating revenue ($)*	52,789,136	48,700,000	88,118,087	79,774,849	147,558,546
Total operating expenditure ($)*	48,369,720	45,220,000	77,697,932	72,297,246	138,147,354
Total rate revenue per capita ($)	1,163	684	796	923	835
Total operating revenue per capita ($)	1,785	1,158	1,556	1,414	1,492
Total operating expenditure per capita ($)	1,635	1,075	1,372	1,281	1,397
Rates as % of operating revenue	65%	59%	51%	65%	60%

Table 167 - Rate in dollar GRV (2012/13 budget)

Council	Residential Improved GRV Rate/$	Commercial Improved GRV Rate/$	Industrial Improved GRV Rate/$	UV Improved Rate/$	Rate increase from 11/12 %
Cambridge	0.068	0.068	0.068	0.2024	5.5
Claremont	0.061	0.014	No data	NA	4.5
Cottesloe	0.061	0.061	0.061	NA	4.95

Council	Residential Improved GRV Rate/$	Commercial Improved GRV Rate/$	Industrial Improved GRV Rate/$	UV Improved Rate/$	Rate increase from 11/12 %
Mosman Park	0.062	0.062	0.062	NA	4.8
Nedlands	0.053	0.058	0.058	NA	6
Peppermint Grove	0.069	0.069	0.069	NA	7.5
Subiaco	0.055	0.055	0.055	NA	7

Based on the presented financial information the Minister's proposal 12/2013 has the greatest operating revenue, expenses and rates income. Cambridge (1) Proposal 4 has the least operating revenue, rate base and expenses. There is significant operating surplus under all proposals.

Table 168 - Key financial information for Minster's Proposal 12/2012 - Western Suburbs

Minister Proposal 12/2013 - Western Suburbs	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Cambridge	$37,241,122	$37,225,926	$19,354,870	$13,304,078	$578,262
Claremont	$16,573,688	$15,170,948	$11,262,492	$3,126,409	$476,386
Cottesloe	$13,887,241	$11,039,040	$8,190,821	$2,059,009	$3,053,281
Mosman Park	$10,280,586	$10,478,562	$7,189,282	$1,722,570	$11,900
Nedlands	$27,306,056	$27,103,910	$17,900,311	$6,472,813	$154,480
Peppermint Grove	$4,403,945	$4,315,196	$2,275,979	$216,198	$422,278
Subiaco	$41,898,721	$38,662,107	$18,641,575	$17,571,341	$697,873
Add: Stirling - Churchlands, Herdsman, Wembley Downs & Woodlands	$9,459,841	$4,677,228	$6,966,095	$217,819	$0
Less: Subiaco - UWA/Crawley	$3,253,225	$205,010	$1,560,246	$1,136,100	$89,611
Less: Nedlands - QEII/UWA	$779,588	$883,913	$665,532	$79,401	$0
TOTAL	$157,018,388	$147,583,994	$89,555,647	$43,474,736	$5,304,849

Table 169 - Key financial information for the Town of Claremont's Proposal 3

Proposal 3 - Town of Claremont	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Claremont	$16,573,688	$15,170,948	$11,262,492	$3,126,409	$476,386
Cottesloe	$13,887,241	$11,039,040	$8,190,821	$2,059,009	$3,053,281
Mosman Park	$10,280,586	$10,478,562	$7,189,282	$1,722,570	$11,900
Peppermint Grove	$4,403,945	$4,315,196	$2,275,979	$216,198	$422,278
Add: Nedlands - Mount Claremont & Shenton Park	$7,388,224	$7,352,749	$5,243,039	$1,584,724	$0
Add: Cambridge - Mount Claremont	$255,452	$13,225	$240,571	$0	$0
TOTAL	$52,789,136	$48,369,720	$34,402,184	$8,708,910	$3,963,845

Table 170 -Key financial information for the Town of Cambridge's Proposal 4

Proposal 4 - Town of Cambridge (1)	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Cambridge	$37,241,122	$37,225,926	$19,354,870	$13,304,078	$578,262
Add: Stirling - Glendalough, Herdsman, Wembley Downs, Woodlands & Churchlands	$11,310,530	$4,949,556	$8,032,844	$567,819	$0
Add: Nedlands - Shenton Park & Floreat	$1,176,391	$1,747,991	$828,879	$260,537	$0
Less: Cambridge - Mount Claremont	$255,452	$13,225	$240,571	$0	$0
TOTAL	$49,472,591	$43,910,248	$27,976,022	$14,132,434	$578,262

Table 171 - Key financial information for the Town of Cambridge's Proposal 17

Proposal 17 - Town of Cambridge (2)	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Cambridge	$37,241,122	$37,225,926	$19,354,870	$13,304,078	$578,262
Add: Stirling - Herdsman, Wembley Downs, Woodlands & Churchlands	$9,459,841	$4,677,228	$6,966,095	$217,819	$0
Add: Nedlands - Shenton Park & Floreat	$1,176,391	$1,747,991	$828,879	$260,537	$0
Add: Subiaco - Subiaco LGA less UWA/Crawley	$38,645,496	$38,457,097	$17,081,329	$16,435,241	$608,262
Less: Cambridge - Mount Claremont	$255,452	$13,225	$240,571	$0	$0
TOTAL	$86,267,399	$82,095,017	$43,990,602	$30,217,674	$1,186,524

Table 172 - Key financial information for the Town of Mosman Park's Proposal 24

Proposal 24 - Town of Mosman Park	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Claremont	$16,573,688	$15,170,948	$11,262,492	$3,126,409	$476,386
Cottesloe	$13,887,241	$11,039,040	$8,190,821	$2,059,009	$3,053,281
Mosman Park	$10,280,586	$10,478,562	$7,189,282	$1,722,570	$11,900
Nedlands	$27,306,056	$27,103,910	$17,900,311	$6,472,813	$154,480
Peppermint Grove	$4,403,945	$4,315,196	$2,275,979	$216,198	$422,278
Add: Subiaco - UWA/Crawley	$3,253,225	$205,010	$1,560,246	$1,136,100	$89,611
Add: Fremantle - North Fremantle	$4,991,047	$959,933	$4,311,168	$50,000	$0
Add: Cambridge - Mount Claremont	$255,452	$13,225	$240,571	$0	$0
Less: Nedlands - Shenton Park & Floreat	$1,176,391	$1,747,991	$828,879	$260,537	$0
TOTAL	$79,774,849	$67,537,833	$52,101,990	$14,522,563	$4,207,936

Table 173 - Comparative summary for Claremont, Cambridge and Mosman Park proposals

Western Suburbs under	Operating Revenue	Operating Expense	Rates	Fees and User Charges	Other Income
Minister's proposal 12/2013	157,018,388	147,583,994	89,555,647	43,474,736	5,304,849
Claremont proposal 3	52,789,136	48,369,720	34,402,184	8,708,910	3,963,845
Cambridge proposal (1) 4	49,472,591	43,910,248	27,976,022	14,132,434	578,262
Cambridge proposal (2) 17	86,267,399	82,095,017	43,990,602	30,217,674	1,186,524
Mosman Park proposal 24	79,774,849	67,537,833	52,101,990	14,522,563	4,207,936

Financial Health Checks

The capability assessment in the Department of Local Government's 2009 Local Government Reform Steering Committee report, identified the local governments of Cambridge, Claremont and Subiaco as a category one and Cottesloe, Mosman Park, Nedlands and Peppermint Grove a category two.

A financial health check (based on the 2012-13 annual financial statements) was undertaken by the Department of Local Government and Communities. The health check outcome for the western suburbs local governments identified strong financial positions for Cambridge, Claremont, Nedlands and Subiaco; Cottesloe and Peppermint Grove councils recorded a good financial position and Mosman Park recorded a weak financial position.

Financial Sustainability Analysis

The Western Australian Treasury Corporation (WATC) was commissioned to undertake a comparative analysis of the financial sustainability of existing and proposed metropolitan local governments. The financial analysis by WATC was based on the seven (7) financial ratios on which local governments are required to report, considering the past four financial years using the annual financial statements, and the forward looking next four years based on the financial plans, with seven years of data (2010-2017) to derive a Financial Sustainability Score as follows:

Table 174 - Financial Sustainability Score (FSS)

FSS for current and proposed authorities	2010-2013	2010-2017
Existing Cambridge	89	92
Existing Claremont	96	82
Existing Cottesloe	79	71
Existing Mosman Park	55	77
Existing Nedlands	70	70
Existing Peppermint Grove	35	46
Existing Subiaco	83	72
Town of Cambridge 4	95	95
Town of Cambridge 17	89	89
Town of Claremont 3	93	88
Town of Mosman Park 24	97	93
Minister's Proposal 12/2013	92	89

Source: WA Treasury Corporation. The FSS for all current metropolitan local governments and the proposed restructured local governments are included in Section 4 of the Appendices.

The Shire of Peppermint Grove has the lowest FSS of existing metropolitan local governments. The WATC FSS identifies a financially strong local government into the future under all relevant proposals (3, 4, 17, 24 and 12/2013). The financial capacity of a local government under these proposals presents leveraging opportunities that are not available or out of reach of the current smaller councils. In general, the proposals eliminate significant differences in financial scores between Mosman Park and Peppermint Grove compared to the remaining western suburbs local governments.

Table 175 - 2012/2013 Financial Ratios

Local government	Cambridge	Claremont	Cottesloe	Mosman Park	Nedlands	Peppermint Grove	Subiaco
Current	1.641	1.271	1.195	1.015	1.518	1.199	1.33
Debt Service Cover	23.37	10.98	7.325	1.241	3.589	6.649	9.222
Own Source Revenue	1.155	1.33	1.232	0.942	0.939	0.689	1.037
Operating Surplus	0.199	0.261	0.211	-0.032	0.009	0.024	0.078
Asset Sustainability	1.308	8.120	0.906	2.119	1.015	0.253	1.435
Asset Consumption	0.596	0.681	0.528	0.654	0.864	0.656	0.58
Asset Renewal	0.973	0.968	1.05	1.284	1.00	0.53	1.024

Submissions to the Local Government Advisory Board

Submissions were provided to the Board during the advertised public submission periods by local governments, industry groups, local businesses and affected ratepayers. A summary of these submissions is detailed below. Note the following summaries are the position put forward by those making the submission.

Local government submissions

Only the local governments of Cambridge, Claremont, Mosman Park and Subiaco submitted a proposal to the Board. The local governments of Cambridge, Claremont, Nedlands, Subiaco and Peppermint Grove made written submissions to the Board. The key points from each local government's submission is summarised below:

Town of Cambridge

The Town of Cambridge, having lodged Proposal 17, opposes proposal 14 and 12/2013 and supports proposal 11. The Town submits that it shares greater community of interest with Subiaco residents, rather than Subiaco and Perth residents. It opposes a whole of western suburbs merger, suggesting that the group is not a coherent group of councils; each has different culture and priorities which may create a dysfunctional council into the future. It has a natural connection with Churchlands, Wembley and Wembley Downs communities and already provides major infrastructure and facilities to the area. Boundary adjustments would thus align facility catchment areas, ensuring users of facilities are also ratepayers who contribute to the funding and planning of facilities. Should 12/2013 be the Board's preferred option, Cambridge argues the new district must include the hospital and university precincts, noting that traffic and parking issues should be addressed by the local government to the west and not the City of Perth.

The Town of Cambridge, along with the City of Vincent, also lodged a submission during the second consultation period, in support of the Town of Mosman Park's Proposal 24, considering it potentially complementary to Proposals 16 and 17, from Vincent and Cambridge respectively.

Town of Claremont

The Town of Claremont opposes 12/2103, believing a four-way merger maintains local scale and a more cohesive community of interest than a combined seven council merger. It would be economically strategic to have Subiaco and Claremont activity centres in different local governments to avoid potential conflicts over prioritising infrastructure development and service delivery. The Town believes Proposal 3 will be able to deal more effectively with heritage related planning issues than a whole of

western suburbs council. The Town states in its submission that a four way merger represents an appropriate size for balancing economies of scale and community connectivity to a local government.

Town of Mosman Park

The Town of Mosman Park lodged a submission in support of its own Proposal 24 during the second consultation period, citing the opportunity to base reform in the western suburbs around a 'northern' and 'southern' district, each with a distinct community of interest.

City of Nedlands

The City of Nedlands opposes all proposals that affect its territory (3, 4, 14, 17, 22, 24, 26, 1/2013, and 12/2013). It sees no collective community of interest across the seven western suburb councils and no evidence of financial benefit to Nedlands residents. It opposes any loss of territory to the City of Perth, citing a lack of community of interest. Parking and traffic management related to the hospital and University precinct will impact on Nedlands, and given its planning/knowledge to date it is best able to address these issues into the future. It does agree that the splitting of the hospital and UWA precinct across three local governments is untenable. It also suggests that there is no community of interest to justify transferring portions of Shenton Park and Mount Claremont to Claremont. It supports a community of interest between Subiaco and Cambridge, i.e. Cambridge and Subiaco residents consider Subiaco the commercial centre and Claremont and Nedlands residents relate more to Claremont. Similarly, the City refutes residents' usage of Floreat Forum as rationale for Cambridge absorbing surrounding residents. Boundary transfers would result in substantial loss of revenue and infrastructure. The City questions whether the boundaries need to be extended to the middle of Swan River, arguing the high water mark is sufficient. In the City's second submission it expressed opposition to Proposal 24 from the Town of Mosman Park. It reiterated support for Aberdare Road as a logical boundary between a Cambridge-Subiaco local government and a Nedlands or 'Western Suburbs' local government.

Shire of Peppermint Grove

The Shire of Peppermint Grove opposes any reform, noting that any merger will have a negative effective on personalised services currently offered to its residents and that services requiring a cooperative approach are already in place through WESROC and WMRC projects so therefore amalgamation is not necessary. The Shire also lodged a submission in the second consultation period against the Town of Mosman Park's Proposal 24.

City of Subiaco

The City of Subiaco opposes proposal 12/2013 and proposal 17. The districts proposed for amalgamation are too diverse to be brought under one local government and the divisions created by highways, railway reserves and parks indicate physical divergence of a proposed 'G7' district, which are inconsistent with a cohesive local government area and create difficulties for representation. There are differences of demographic trends and economic profile. The City rejects the notion that the western suburbs have a shared history and supports Claremont's view that strategic centres would benefit from being in different local governments. The City suggests that merging seven councils would be complex and disproportionately expensive and would negatively impact service delivery and community expectations. While the City has lodged a proposal with the Board, its stated position is to remain as an independent local government. The City of Subiaco also lodged a submission in the second consultation period against Proposal 24 from the Town of Mosman Park, opposing it to the extent that it contradicts Subiaco's own Proposal 22 (see section 1). Subiaco emphasises its view that its current district should remain intact within any new local government district.

City of Perth

The City of Perth opposes both Proposals 12/2013 and 17 to the extent of inconsistencies with its own proposal (14) for a 'Capital City' district which incorporates major facilities and infrastructure. Perth argues that its recommended incorporation of the hospital and university precincts to the west of King Park is essential to maximise Perth's economic potential. It also contends that the split of Broadway and Hampden Road in Proposal 12/2013 will adversely impact the planning and servicing of the future light rail service in that area.

City of Stirling

The City of Stirling opposes Proposals 12/2013, 4 and 17 on the basis of rejecting any retraction of its southern boundary north of Hale Road. It particularly opposes the loss of Woodlands, citing a strong sense of community connectivity to Stirling in that locality. Stirling reiterates its view that there are no major topographical features to justify the boundaries proposed by the Minister or the Town of Cambridge in preference to the existing alignment, and argues that decreasing the size of its current district would only serve to negatively impact economies of scale for service delivery.

Other submissions

Around 60 per cent of the 28 public submissions in support of the Minister's proposal (12/2013) are from residents of the City of Nedlands, and primarily express support for

modern planning and service delivery needs being more adequately met by a larger local government as proposed by the Minister. Of 334 submissions against the proposal, almost 50 per cent are from residents of the Shire of Peppermint Grove, with almost 20 per cent from Nedlands and almost 15 per cent from Cottesloe. The primary view in these submissions is change is unnecessary and will negatively impact on the access of western suburbs residents to local representation.

Almost all of the submissions in support of the Town of Claremont's 'G4' proposal (3) are from residents of the Shire of Peppermint Grove, who support it as the least undesirable of the proposals related to their district. However, residents of the Shire also account for over 80 per cent of submissions against the proposal. Rejection of the need for any change to current districts is the primary reason for opposition to both this proposal and the Town of Cambridge's proposals (4 and 17), though Cambridge's proposals are supported by some Cambridge residents who support extension of their own district over a 'G7' model.

The Town of Mosman Park's proposal was one of four later proposals which prompted the second public submission period concluding on 26 June 2014. Following the second consultation period, seven public submissions were lodged in support of the Town of Mosman Park's Proposal 24, generally supportive of the proposal as an alternative to the 'G7' model. This included three submissions from residents of North Fremantle considering the area to align more logically with localities to the north. There were 22 submissions against the proposal, principally opposing any changes to the status quo (though two submissions supporting change expressed a preference for the 'G7' model).

The Town of Cambridge also distributed a template submission form within its district, supporting Proposal 17 and opposing Proposal 12/2013. It was returned by 102 respondents.

A number of parliamentarians lodged submissions, most of whom expressed opposition to proposals, although support was also expressed for proposal 17.

Tourism WA supports Proposal 12/2013 as Cottesloe is recognised as a State Tourism Development Priority and the merger of the Town of Cottesloe into a larger local government is considered beneficial from a tourism perspective.

The Cockburn Community Proposal Steering Committee lodged a submission against Proposal 24 from the Town of Mosman Park, objecting to the division of any port related lands between local governments. It also supported the oversight of the Fremantle Traffic Bridge Project by one authority. The Fremantle Port Authority (operating as Fremantle Ports) was also against Proposal 24 on the basis of its view that all parts of

the Port, including North Quay and operational land north of Tydeman Road, should be located in one local government district to promote integrated planning.

Table 176 - Submissions lodged on proposals

Origin of submissions	**Number of submissions**									
	Proposal 12/2013		**Proposal 3**		**Proposal 4**		**Proposal 17**		**Proposal 24**	
	For	Against	For	Against	For	Against	For	Against	For	Against
Local governments	0	8	2	2	0	2	1	4	3	5
Stakeholders	2	5	0	1	0	3	2	3	0	2
Individuals	28	334	33	192	2	47	32	176	7	22
Totals	**30**	**347**	**35**	**195**	**2**	**52**	**35**	**183**	**10**	**29**

Table 177 - Summary information for current Western Suburbs local governments

Summary information	Cambridge	Claremont	Cottesloe	Mosman Park	Nedlands	Peppermint Grove	Subiaco
Population 2013	27,997	10,359	8,572	9,508	22,918	1,681	19,693
% variation from 100,000 in 2013	-72%	-90%	-91%	-90%	-77%	-98%	80%
Population 2026	31,000	10,100	9,000	11,400	23,000	1,700	22,600
Population 2050	35,193	10,738	9,676	12,954	23,483	1,700	27,347
Strategic centres	None	Claremont	None	None	QEII & UWA (spec.)	None	Subiaco QEII & UWA (spec.)
Future industrial sites	None	None	None	None	None	None	None
Additional dwelling Target (D2031)	4,000	760	570	880	2,530	280	3,600
Local employment %	91.5	91.1	90.6	90.3	90.6	91.5	89.9
Total Employees	190	68	42	51	148	20	206
Total Expenditure $	39,706,200	17,000,000	11,500,000	10,600,000	28,100,000	4,500,000	42,400,000
Total Rates $	20,879,900	11,200,000	8,400,000	7,600,000	19,400,000	2,600,000	19,900,000
Average residential GRV	20,783	32,789	33,872	34,212	38,356	49,119	24,986
Average residential rate $	1,321	1,773	1,965	1,828	1,855	3,267	1,281
GRV rate in $ 12/13	6.8013	6.1199	6.1881	6.2695	5.332	6.9502	5.5

Summary information	Cambridge	Claremont	Cottesloe	Mosman Park	Nedlands	Peppermint Grove	Subiaco
Rates as % of revenue	30.6%	55%	80.0%	73.8%	66.9%	60.5%	46.5%
Residential rates %	88.2%	No data	82.7%	86.6%	83.3%	80.7%	54.3%
Commercial rates %	10.8%	N/A	13.0%	4.4%	4.3%	12.9%	39.1%
DLGC Financial health check	Strong	Strong	Good	Weak	Strong	Good	Strong
Operating Surplus	0.199	0.261	0.210	-0.032	0.009	0.024	0.078
Current ratio 2013	1.641	1.271	1.195	1.015	1.518	1.20	1.330
WATC Ratio Profile	No data	No data	No data	No data	No data	No data	No data
WATC Financial Sustainability Score (2010-2013)	89	96	79	55	70	35	82
WATC Financial Sustainability Score (2010-2017)	92	82	71	77	70	46	72

Table 178 - Summary information for Proposals 3, 4, 17, 24 and 12/2013

Summary information	Claremont Proposal 3	Cambridge Proposal 4	Cambridge Proposal 17	Mosman Park Proposal 24	Minister's Proposal 12/2013
Population 2013	36,681	45,341	59,681	59,792	112,351
% variation from 100,000 in 2013	-63%	-55%	-40%	-40%	12%
Population 2026	38,314	49,221	65,281	63,053	119,846
Population 2050	40,440	54,988	73,794	67,153	130,750
Strategic centres	Claremont	None	Subiaco	Claremont, QEII & UWA (spec.)	Claremont, Subiaco
Future industrial sites	None	None	None	None	None
Additional dwelling Target (D2031)	No data	No data	No data	No data	No data
Operating Surplus	0.15	0.26	0.14	0.20	0.15
Current ratio 2013	1.09	1.58	1.35	1.48	1.35
WATC Ratio Profile	Well balanced	More balanced	Well balanced	Very well balanced	Very well balanced
WATC Financial Sustainability Score (2010-2013)	93	95	89	97	92
WATC Financial Sustainability Score (2010-2017)	88	95	89	93	89

Assessment of the Town of Cambridge's Proposal 17

against Local Government Advisory Board criteria

Proposal 17 was assessed and recommended by the Board with minor boundary amendments.

From the Town of Cambridge's proposal 17:

"The combination of a major business district to the largely urban population of Cambridge and the southern Stirling suburbs is a major benefit in creating an identity and these residents relate strongly to the commercial district assisting in its long term viability. There are many similarities with the demographics of Cambridge and Subiaco and the communities share similar values in relation to lifestyle and amenity."

Community of interest

There are strong community of interest links between the western suburbs generally, and in the proposal area in particular. The Town's proposal is to expand its northern and southern boundaries to incorporate the additional suburbs of Churchlands, Herdsman, Wembley Downs and Woodlands (part) from the City of Stirling and (parts of) Shenton Park, Floreat and Swanbourne from the City of Nedlands and most of the City of Subiaco north of Aberdare Road. The Town's proposal reflects communities with shared characteristics as a result of:

- Geographic proximity.
- Similar demographics.
- Similar housing types and urban infill pressures.
- Similar periods of urban development and subdivision patterns.

The focus of catchment areas within the area proposed by Cambridge includes Subiaco, Floreat Forum, and the Cambridge Street retail precinct. The major recreation facilities of Bold Park Aquatic Centre and Lords attract users from surrounding areas. The Board's view is that communities of interest are recognised under the proposal and that the proposal supports more equitable access and contribution to local government facilities.

Physical and topographic features

The Board's deliberations included identifying strong, logical boundaries and where possible aligned with main roads to avoid boundaries which cut across places of residence or business. The Board noted that the proposed northern boundary followed minor roads. The Board viewed Thomas Street and the Mitchell Freeway as strong

eastern boundaries, also noting Thomas Street is the current West Perth suburb boundary, re-affirming the view that West Perth remains in the Perth district. The Board also viewed the southern boundary as continuing along minor roads, creating segmented areas within the larger district. However, the parkland and institutional land provides a buffer between northern residential areas proposed to be in Cambridge and southern residential areas. The Board considered that Hale Road (extending west to the Indian Ocean) would provide a stronger northern boundary. [The Board considered this amendment to be of a minor nature.]

Demographic trends

There are no compelling points of difference in the demographic details of the localities affected by the proposed boundary change. The proposal identifies a more than doubling of the Town's population to almost 60,000; however it would still be significantly less than the metropolitan mean of 126,000. The demographic analysis of this proposal identifies residents more likely to be older, university qualified and in professional employment. Difference in lifestyle related to housing accommodation is evident; however the urban infill in Subiaco CBD and the value add business that this attracts would be complimentary and beneficial for communities in the suburban areas of Cambridge.

Economic factors

The proposal has a clear economic focus in the secondary activity centre of Subiaco while numerous neighbourhood and local centres in Cambridge provide supporting economic activity to sustain the local economy which provides convenience and amenity for residents. Attention to economic development was identified in the respective local government's strategic community plans and this could be further built upon to consolidate approaches supporting economic growth and investment across the broader area. The City of Subiaco has in-house specialist economic development staff and an economic development plan, which would also assist in planning and coordination of economic and activity corridors in the proposed area.

The history of the area

There are some historical links between the areas affected by the proposal. The boundary amendment might be seen by some as contributing to a loss of local history, but that history will fundamentally remain. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. In the Board's view, there are no significant differences in the history of the areas to suggest that the proposed amalgamation should not proceed. The history of particular

communities and local governments would not be lost. A local government with increased capacity would be better resourced to record and preserve its history for future generations. The history of the area is not considered a major factor in assessing this proposal.

Transport and communication

With the potential for greater integration of transport planning in this area, the boundary change is considered to offer transport benefits to residents and businesses and offers the potential for improved access to services by the community. In particular, improved coordination and road network planning to optimise access to and from activity corridors along Cambridge Street and the Subiaco centre would benefit residents and local business.

Matters affecting the viability of local governments

The proposal to adjust the boundary of the Town of Cambridge to incorporate 83% of existing City of Subiaco's population, 7% of Stirling's population and 6% of Nedlands' population results in a significant increase in operating revenue from $37 million to $88 million (2013-14 budget). Rates would comprise around 51% of operating revenue with opportunity to leverage further off future commercial areas which may be developed. The net revenue benefit to the new local government is almost $6 million. The WATC FSS analysis identifies this proposal as one of the most viable in the metropolitan area.

The effective delivery of local government services

The effective delivery of local government services would be maintained and potentially enhanced by the proposed local government, which would have the capacity and resources to deliver quality services to the community, comparable or better than those currently provided. Some economies of scale would be realised across administrative and service provision functions given the similarity of service delivery and community needs across the affected areas. The Board's view is that the capacity of the local government to service the community would be strong with significant revenue and opportunities to leverage off future commercial developments.

Assessment of the Town of Mosman Park's Proposal 24

against Local Government Advisory Board criteria

Proposal 24 was assessed and recommended by the Board with minor boundary amendments.

From the Town of Mosman Park's proposal:

"The Communities within the western suburbs have over many have clearly expressed the preference for their local government to be at scale which is responsive and accessible. This is what the proposal will deliver while contributing to the State Government objective of consolidating local government within the metropolitan region into a smaller number of councils."

Community of interest

The Board's view is that there are strong community of interest links between the residents of this part of the western suburbs, which the Town argues is contingent on scale. Communities of interest overlap the Town's proposed boundaries. For example:

- Stirling Highway connects all districts;
- The area is well serviced by public transport.
- Claremont is a key destination attracting people from surrounding areas and beyond.
- The same community newspapers are circulated in the affected areas.
- The affected areas are within the same federal electorate seat of Curtin, the same legislative council district, and the same legislative assembly seat of Cottesloe and Nedlands; however it is noted that the Town of Claremont is split across the seat of Cottesloe and Nedlands.
- Residents already use adjacent local government facilities within the area reflective of the historical shared approach to community facilities.

Physical and topographic features

The Board's deliberations included identifying strong, logical boundaries, where possible aligned with main roads to avoid boundaries which cut across places of residence or business. The Board noted that the northern boundaries under the proposal appeared somewhat illogical but conceded that the parkland and institutional land provides a buffer between southern residential areas proposed to be in Mosman Park and northern residential areas. The Board viewed the consolidation of the hospital precinct and

University of Western Australia under the jurisdiction of one local government as a positive outcome. It is noted that the proposed boundaries would excise the regional waste facility from the proposed local government.

The Board was in agreement that a logical eastern boundary was the border of Kings Park. It made an amendment to the proposed area to include the entire residential locality of Crawley from the City of Perth. The Board considered that the inclusion of North Fremantle was unsupportable, but recommended a minor amendment to the existing southern boundary in the vicinity of McCabe Street where it cuts through residential developments and industrial buildings. The Board proposes an alternative southern boundary of McCabe Street to Stirling Highway, south along Stirling Highway to the Leighton Railway Overpass and then west to the Indian Ocean.

Demographic trends

There are no compelling points of difference in the demographic details of the localities affected by the proposed amalgamation. The demographic trends that are discernable under this proposal merely highlight the 'typical' resident or household already present in western suburbs. This includes a higher median age than the metropolitan area, more couples without children, a greater proportion of the community over the age of 65, almost half the population are university educated and live in predominantly separate housing. The local government would have one of the smallest populations (estimated at 55,000) with limited potential for further population growth.

Economic factors

The busy secondary activity centre of Claremont, together with the Cottesloe district centre and other local centres contribute to the economic base for the local government as well as meeting the convenience and amenity for residents. An interest in economic development was identified in the respective local government's strategic community plans and the Board believes that a consolidated approach would further support economic growth and investment across the broader area.

The history of the area

There are some historical links between the areas affected by the proposal. The amalgamation might be seen by some as contributing to a loss of local history, but that history will fundamentally remain. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. In the Board's view, there are no significant differences in the history of the areas to suggest that the proposed amalgamation should not proceed. The history of particular communities and

local governments would not be lost. A local government with increased capacity would be better resourced to record and preserve its history for future generations. The history of the area is not considered a major factor in assessing this proposal.

Transport and communication

With the potential for greater integration of transport planning in this area, the boundary change is considered by the Board to offer transport benefits to residents and businesses and offers the potential for improved access to services by the community. The Board can see particular benefit from improved coordination and planning to optimise the Stirling Highway activity corridor and management of traffic and parking issues surrounding the hospital and university precincts.

Matters affecting the viability of local governments

The proposal to merge the local governments of Claremont, Cottesloe, Mosman Park and Peppermint Grove and incorporate large portions of the City of Nedlands would result in operating revenue of almost $80 million and expenditure of $68million (2013-14 budget). Rates would comprise around 65% of operating revenue, which is unlikely to change into the future noting the limited capacity of this local government to expand its commercial base. Notwithstanding this limitation, the WATC FSS analysis confirms this local government would be financially strong into the future.

The effective delivery of local government services

The effective delivery of local government services would be maintained and potentially enhanced by the proposed local government, which would have the capacity and resources to deliver services at least to a comparable standard to those currently provided. Economies of scale would be realised across administrative and service provision functions noting similarity of service delivery and community needs across the affected areas. The Board considers the capacity of the local government to service the community would be strong, although it also noted that implementation issues would be significant.

Assessment of the Town of Claremont's Proposal 3

against Local Government Advisory Board criteria

Proposal 3 was assessed and rejected by the Board.

From the Town of Claremont's proposal:

"The communities within the western suburbs have over many years have clearly expressed the preference for their local government to be at scale which is responsive and accessible. This is what the proposal will deliver while contributing to the State Government objective of consolidating local government within the metropolitan region into a smaller number of councils."

Community of interest

There are strong community of interest links between the residents of this part of the western suburbs, which the Town argues is contingent on scale. Communities of interest overlap the Town's proposed boundaries and there is no real delineation which separates one district from another. For example:

- Stirling Highway connects all districts;
- The area is well serviced by public transport, seamlessly moving people between destinations.
- Claremont is a key destination and attracts people from surrounding areas and beyond
- The Post and Western Suburbs community newspapers are circulated to the affected areas
- The affected areas are within the same federal electorate seat of Curtin, the same legislative council seat; the same legislative assembly seat of Cottesloe, however it is noted that the Town of Claremont is split across the seat of Cottesloe and Nedlands.
- Residents already use other local government facilities within the area reflective of the historical shared approach to community facilities.

The Board's view was that a consequence of this proposal is that a large proportion of Nedlands is excluded from the proposed community of interest area rather than encompassing it in its entirety. This would split the community of Nedlands between local government areas. The Board also noted that the location of the secondary centre, under this proposal, was closer to the eastern boundary rather than centrally located to support a strong catchment area for the whole of proposed district.

Physical and topographic features

The Board's deliberations included identifying strong, logical boundaries and where possible aligned with main roads to avoid boundaries which cut across places of residence or business. It was noted that this proposal, while using existing boundaries, is not ideal given that it based on boundaries that continue to dissect residential areas by using property boundaries. It is noted that Swanbourne Beach and the Campbell Army Barracks remain split between local governments, which the Board considers undesirable. While the Board could address these issues by considering minor amendments to the proposal, it did not do so as the proposal was not a preferred proposal.

Demographic trends

There are no compelling points of difference in the demographic details of the localities affected by the proposed amalgamation. The demographic trends that are discernible under this proposal merely highlight the 'typical' resident or household already present in western suburbs. This includes a higher median age than the metropolitan area, more couples without children, a greater proportion of the community over the age of 65, almost half the population are university educated and live in predominantly separate housing. A significant consideration was that the proposed local government would still have a small population of only 37,000 with limited potential for further growth.

Economic factors

While still a relatively small local government under this proposal, the secondary activity centre of Claremont along with numerous neighbourhood and local centres would continue to provide the economic basis for sustaining the local economy as well as convenience and amenity for residents. Attention to economic development was identified in respective local government's strategic community plans. These could be built upon further under this proposal to consolidate support for economic growth and investment across the broader area.

The history of the area

There are some historical links between the areas affected by the proposal. The amalgamation might be seen by some as contributing to a loss of local history, but that history will fundamentally remain. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. In the Board's view, there are no significant differences in the history of the areas to suggest that the proposed amalgamation should not proceed. The history of particular communities and

local governments would not be lost. The history of the area is not considered a major factor in assessing this proposal.

Transport and communication

With the potential for greater integration of transport planning in this area, the boundary change is considered to offer some transport benefits to residents and businesses of the area, particularly through improved coordination and planning to optimise the Stirling Highway activity corridor.

Matters affecting the viability of local governments

The proposal to merge the local governments of Claremont, Cottesloe, Mosman Park and Peppermint Grove and incorporate portions of the City of Nedlands would result in operating revenue of around $53 million and expenditure of $48 million (2013-14 budget). Rates would comprise around 65% of operating revenue, which is unlikely to change into the future noting the limited capacity of this local government to expand its commercial/industrial base beyond what is presently available. The Board considers that this is likely to place a burden on residential rate payers into the future to predominantly fund the local government operations and capital projects.

The effective delivery of local government services

The effective delivery of local government services would be maintained by the proposed local government, which would have enhanced capacity to deliver services. The capacity of the local government to service the community would be improved, although the Board noted likely implications of implementation issues.

The Board's view is that the proposal would result in local governments of disparate size and financial capacity in surrounding areas and does not significantly contribute to improving the capacity of metropolitan local governments overall to address the challenges in planning for, and servicing Perth's future population needs.

Assessment of the Town of Cambridge's Proposal 4

against Local Government Advisory Board criteria

Proposal 4 was assessed and rejected by the Board.

From the Town of Cambridge's proposal:

"The Town of Cambridge has identified a more logical alignment of its northern and southern boundary which would see the consolidation of the large open spaces and recreation facilities. It would be appropriate and equitable for the people who live in the vicinity of these facilities, and who use then regularly and to the same extent as Cambridge ratepayers, to become ratepayers of the council that funds them – the Town of Cambridge."

Community of interest

There are strong community of interest links between western suburb residents generally. The Town's proposal is to expand its northern and southern boundaries to incorporate the additional suburbs of Churchlands, Glendalough, Herdsman, Wembley Downs, and Woodlands (part) from the City of Stirling and part of Shenton Park, Floreat and Swanbourne from the City of Nedlands. The Town's proposal suggests communities with shared characteristics as a result of:

- Geographic proximity.
- Similar periods of urban development.
- Similar subdivision patterns.
- Similar housing type.
- Similar demographics

The catchment areas within Cambridge including Floreat Forum, Cambridge Street retail and entertainment precinct and Bold Park Aquatic Centre attract users from surrounding areas. The Board's view is that communities of interest is recognised under the proposal and supports the view of equitable access to and contribution to local government facilities.

Physical and topographic features

The Board's deliberations included identifying strong, logical boundaries, where possible aligned with main roads to avoid boundaries which cut across places of residence and business. The Board held the view that the proposed northern boundary followed relatively minor roads and the southern boundary also continued along minor roads. The

Board noted that the proposal appeared to continue a number of pre-existing boundary anomalies. While the Board could address these issues by considering minor amendments to the proposal, it did not do so as the proposal was not its preferred proposal.

Demographic trends

There are no compelling points of difference in the demographic details of the localities affected by the proposed boundary change. The proposal identifies a 50% increase in the Town's population; however it would still be significantly less than the metropolitan mean of 126,000.The median age of 39 is closer to the metropolitan mean age of 36. The Board notes limited population growth potential into the long term and a very small local government compared to other metropolitan local governments.

Economic factors

There are no strategic or secondary activity centres in the area covered by this proposal, and this is considered a major deficiency by the Board. There are however numerous district, neighbourhood and local centres to sustain the local economy and provide convenience and amenity for residents. The closeness of activity centres at Claremont, Subiaco and Stirling are noted. The area covered by the proposal has limited potential for increased commercial development due to the unavailability of large expanses of appropriately zoned land.

The history of the area

There are some historical links between the areas affected by the proposal. The boundary change might be seen by some as contributing to a loss of local history, but that history will fundamentally remain. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. In the Board's view, there are no significant differences in the history of the areas to suggest that the proposed amalgamation should not proceed. The history of particular communities and local governments would not be lost. A local government with increased capacity would be better resourced to record and preserve its history for future generations. The history of the area is not considered a major factor in assessing this proposal.

Transport and communication

With the potential for greater integration of transport planning in this area, the boundary change is considered by the Board to offer transport benefits to residents and businesses of the area as well as the potential for improved access to services by the

community. Key east-west road corridors are contained within the one local government which may address traffic and parking management around entertainment and recreation areas.

Matters affecting the viability of local governments

The Town of Cambridge is a financially strong and viable local government. The majority of the area incorporated under this proposal is largely residential, with the portion of Stirling to be incorporated provides significant net revenue in excess of $6 million for the enlarged local government. The Board noted that the revenue is relatively small at $50 million and expenditure of $43 million (2013-14 budget). Nevertheless the WATC FSS identified this proposal as one of the most financially viable of all the metropolitan local governments.

The effective delivery of local government services

The effective delivery of local government services would be maintained by the proposed local government, which would have the capacity and resources to deliver services and respond proactively to the users of its facilities which would now be in its boundaries under this proposal. The additional revenue available under this proposal provides potential to expand or improve existing services. Significant usage of the Town's facilities by residents of adjoining areas is noted. No new infrastructure would be required to service the additional residents acquired under this proposal. The Board's view is that while the criterion is met under this proposal, it acknowledged that the boundary proposal is on a much lesser scale than changes proposed for other metropolitan local governments. The capacity of the Town of Cambridge is marginally improved, noting its already strong financial position.

The Board's view is that the proposal would still result in local governments of disparate size and financial capacity in surrounding areas. The Board's opinion was that the proposal did not significantly contribute to improving the capacity of metropolitan local governments overall to address the challenges in planning for, and servicing Perth's future population needs.

Assessment of the Minister's Proposal 12/2013

against Local Government Advisory Board criteria

Proposal 12/2013 was assessed and rejected by the Board.

From the Minister's proposal:

"The proposal, if implemented, would create a stronger local government, with an increased capacity to provide the best possible services to residents in the new district with maximum efficiency. There would be a significant opportunity to reduce the high level administrative duplication and generate significant long-term savings due to economies of scale, and rationalisation of management and administrative support staff and office accommodation. Through co-ordinated long term planning there would be opportunities to rationalise assets and the provision of services, for the benefit of the residents and businesses across the whole of the new local government district which is proposed."

Community of interest

There are strong community of interest linkages between the western suburb areas. The communities of interest span across the seven local governments and are not constrained by existing local government boundaries. The Board believes that while there are communities of interest created around existing local governments, these are just a subset of the many and wider communities of interest of the 'western suburbs'. Relevant considerations include:

- Stirling Highway and the railway are strong connectors in common;
- The area is well serviced by public transport, including multiple bus routes and train services, seamlessly moving people between destinations.
- Claremont and Subiaco are key destinations which attract people from surrounding areas.
- Shenton College draws students from across the western suburbs
- The same local community newspapers are circulated across the affected areas.
- The affected areas are within the same federal electorate seat of Curtin, the same legislative council district and the same legislative assembly seats of Cottesloe and Nedlands, noting that the Town of Claremont is split across the seats of Cottesloe and Nedlands.
- Residents already use other local government facilities within the area reflective of the historical shared approach to community facilities.

- Demographic characterises are broadly similar, particularly in terms of income, occupation, education and so on.

The Board can see no compelling issues of community of interest in the various localities affected by the proposal to suggest that the amalgamation should not proceed. Rather, it is evident that there is more that is shared in common between the communities that bind them together than separates them. All current local governments share a vision for green spaces, connected communities, respect for their heritage; these visions reflect similar community aspirations. The capacity of the local government to engage the community would remain strong given the discrete communities and high volunteerism across the western suburbs. The service needs of the discrete communities of interest would be well served by a larger local government.

Physical and topographic features

The coast, Swan River and Kings Park provide strong boundaries for the proposed local government. The Board believes the proposed boundaries would not affect the capacity of the broader community to access services or the capacity of the local government to service the community.

Demographic trends

There are no compelling points of difference in the demographic details of the localities affected by the proposed amalgamation. The Board noted extensive demographic similarities across the area, including median age, education, employment, income and couples without children. The combined population under this proposal would be closer to the metropolitan mean. The capacity of the local government to service the needs of the growing and changing community, including a significant service population comprised of workers and visitors, would be strong. While demographic trends are not considered a major factor in assessing this proposal, the Board rated this proposal highly on this criterion.

Economic factors

Consolidation of local governments in the western suburbs area would benefit from the activation of the Stirling Highway activity corridor to its full potential. The secondary activity centres of Subiaco and Claremont will also benefit from a coordinated and stronger local government with greater capacity to plan and partner with government and private stakeholders to facilitate timely development around key areas, although there would still be an issue of competition between activity centres. In the Board’s view, any change in local government arrangements in the region is unlikely to negatively affect local infrastructure, and most non-local government infrastructure providers are

likely to welcome a consolidation of local governments to simplify consultation and management arrangements. The proposal is generally consistent with facilitating the objectives of the State Government's *Directions 2031 and Beyond* planning framework in building activity centres.

The history of the area

There are some historical links between the areas affected by the proposal, with the original and subsequent urban development occurring over similar periods. While preservation of local heritage is a common concern, the Board considers there is potential for its protection to be better managed in a consolidated local government. The amalgamation might be seen by some as contributing to a loss of local history, but that history will fundamentally remain. While local governments may change, their history will be preserved. It is acknowledged that reform can only be achieved by change and it follows these changes merely create yet another chapter in local history. In the Board's view, there are no significant differences in the history of the areas to suggest that the proposed amalgamation should not proceed. The history of particular communities and local governments would not be lost. The history of the area is not considered a major factor in assessing this proposal.

Transport and communication

With the potential for greater integration of transport planning in this area, the Board considers the amalgamation would generate transport benefits to residents and businesses of the area and offers the potential for improved access to services by the community. Traffic management and parking would be subject to the one regime; a single local government would be better placed to manage the traffic and parking requirements of the university and hospital precincts. A local government under this proposal would also be better placed to advocate for continued integration of bus services to the rail line, the development of the MAX Light Rail project and improved traffic management along the length of the Stirling Highway.

Matters affecting the viability of local governments

An amalgamation of all seven local governments, incorporating suburbs from the City of Stirling, would address infrastructure funding and equity issues and creates a larger local government with the financial capacity. There is the potential to rationalise duplicated infrastructure assets such as six depots and seven administration buildings and council chambers, and thus financially support the new council into the short to medium term. The WATC FSS identifies a financially strong local government into the future. The new local government would have operating revenue of over $147 million and total operating expenditure of $138 million. The financial capacity of a local

government under this proposal presents leveraging opportunities that are simply not available or out of reach to the current smaller councils. Given the financial strength of the proposed local government, and the potential to address sustainability issues and rationalise some duplicated infrastructure assets, the proposed amalgamation is considered by the Board to have positive outcomes.

The effective delivery of local government services

The effective delivery of local government services would be maintained by the proposed local government, which would ultimately have the capacity and resources to deliver services to a consistently higher standard than those currently provided in some areas. The local government would be relatively compact in terms of its size and the geographical spread of the population. In the Board's view, the capacity of the local government to effectively service the community would be strong. The proposal is consistent with improving the capacity of metropolitan local governments to address the challenges in planning for and servicing an increasing population and responding to the changing demands of the community. Major projects identified in community plans could proceed, while capacity to support major projects such as the Stirling Highway Activity Corridor would be maintained or enhanced. However, the Board believes the complexity of implementation issues in this specific case have the potential to impact on the effective delivery of local government services for the short and medium term.

Review and recommendations

The western suburbs areas have a long tradition of strong connections. All seven western suburbs local governments participate in WESROC[122] and most are members of the regional local government. Six of the seven councils work with the Swan River Trust. The local governments are in the same local emergency management committee.

Significant community infrastructure is shared between the local governments including the Grove Library and Claremont Aquatic centre. The councils recognise similar approaches may be necessary to plan and manage issues arising from climate change. All local governments will need to address high density and urban infill given current low density rates and there may be benefit in a coordinated approach to these issues.

After completing its Inquiries the Board considers that all proposals have the potential to generate some positive outcomes. The financial sustainability scores were universally high for all proposals, eliminating the FSS disparities between the existing local governments. The WATC analysis indicates that the proposals would result in some of the strongest local governments (financially) in the metropolitan region.

The Board resolved to reject Proposal 3 submitted by the Town of Claremont and Proposal 4 submitted by the Town of Cambridge. The Board recognised that there was strong case for Minister's Proposal 12/2013 as it was closest to the 'best' local government boundaries for this area, but it stopped short of making this its preferred proposal due to concerns with the complexities of bringing seven local governments together. The success of Proposal 12/2103 would also be challenged by the competition between the two secondary activity centres.

The Board recognised that Cambridge Proposal 17 and Mosman Park Proposal 24 were complementary. While implementation of these two proposals jointly would result in two western suburbs local governments rather than one, the Board saw significant merit in this approach (subject to some minor amendments to the proposed boundaries). In particular, the Board felt that the two local government solution was more attuned to a good government outcome and in the best interests of local government and its residents and ratepayers from a number of perspectives. Firstly, there was greater (but not unanimous) local government and community support for this arrangement rather than the 'all in' seven local government amalgamation. The transition processes, while still difficult, would be expected to be somewhat easier than the seven way amalgamation. It was also considered by the Board to be a more locally focused approach, reflecting local government preferences rather than the Minister's.

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[122] The Town of Cambridge is not a formal member; however participates on a project by project basis.

The respective areas within Proposal 17 and Proposal 24 are closely linked by community of interest, demographics, and so on. Stirling Highway provides a common spine for the five local governments of Proposal 24. While the similar but lower populations of the proposed local governments are noted, the financial sustainability scores for the prospective entities are very strong. Each proposal has an activity centre focus, and this is consistent with facilitating the objectives of the State Government's *Directions 2031 and Beyond* planning framework in building activity centres. In addition, the Board considers that the public land corridor between the northern and southern residential areas further supports the argument for two western suburbs local governments.

The Board has adjusted the proposed boundaries as follows:

Proposal 17

Adopting Hale Road as the northern boundary, from Pearson St to the Indian Ocean, thus affecting the current boundaries of both the City of Stirling and Town of Cambridge resulting in an exchange of territory (Figure 19).

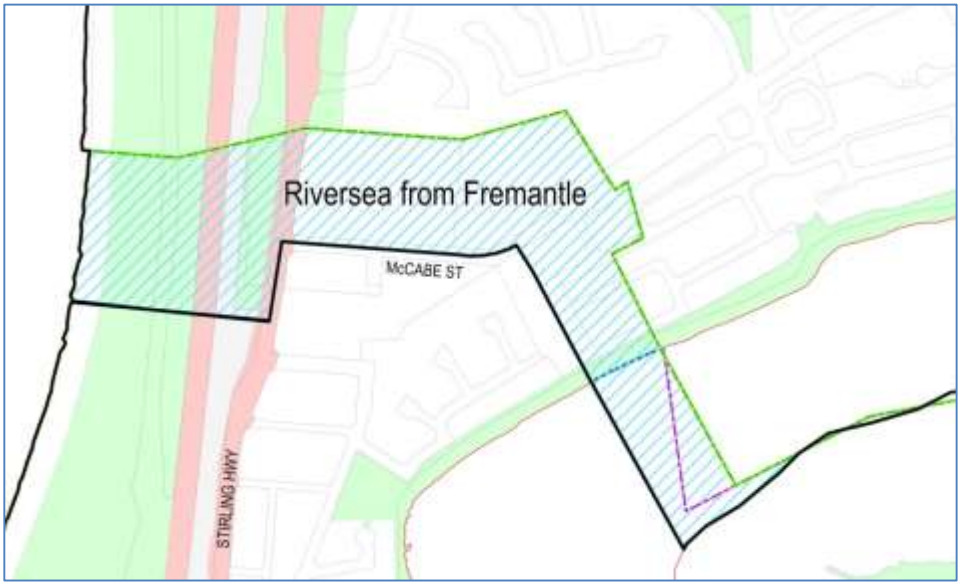
Proposal 24

Omitting the suburb of North Fremantle but extending the boundary between Mosman Park and North Fremantle along McCabe Street to the Leighton Beach footbridge overpass (Figure 20).

Figure 18 – Transfer the City of Stirling



Figure 19 - Transfer from City of Fremantle to the City of Riversea



The Board has deemed these changes to be ‘minor’ amendments to Proposal 17 and Proposal 24.complementr

Table 179 - Estimated Population and FSS for modified proposals

Proposal as amended by LGAB	Proponent	2015 estimate	2010-2013	2010-2017
Proposal 17	Cambridge	57,806	89	89
Proposal 24	Mosman Park	54,976	97	93

The Board acknowledges that comprehensive change management and implementation oversight is crucial to effectively manage an amalgamation of up to seven small local governments; however that the financial and planning benefits of consolidation would offset these challenges. The savings generated by streamlining administration and governance processes and removing duplicated contracts could be realised in the short term and savings reinvested into the community.

Conclusions and recommendations for the Town of Cambridge and the City of Subiaco

Ward structure

The Town of Cambridge identified its preference for a four ward structure. The City of Subiaco did not specify a preference.

The Board notes that a formal agreement was not reached between the two affected local governments on this matter. It is the Board's view that equitable representation and engendering a whole of council approach is enhanced by a district ward structure. The Board acknowledged the similarities between communities, in particular shared use of sporting and recreational facilities, as well as urban precincts characterising these areas that would benefit from a whole of council approach.

As there is not an agreed position between the two local governments on a ward structure the Board recommends that the merged entity operate under a district ward .

Representation

The Town of Cambridge preference is for eight offices of councillor and a popularly elected mayor. The Board notes that the Town of Cambridge's existing eight councillors and popularly elected mayor will continue to represent the enlarged local government leading up to the 2015 local government elections (noting that this proposal is for a boundary amendment). All offices of councillor of the City of Subiaco will be disestablished on 30 June 2015.

Offices of councillor at the Town of Cambridge that expire in 2017 will see out their terms. Offices of councillor at the Town of Cambridge that expire in 2015 will be contested at the 2015 local government elections.

Name of the new local government

The Town of Cambridge submitted a proposal to the Local Government Advisory Board recommending that its current name and designation be changed to the City of Subiaco. The Board accepted the Town of Cambridge's proposal pursuant to clause 5(c) of Schedule 2.2 and section 2.4(2) of the Act and subsequently recommends that the merged entity be known as the City of Subiaco.

Recommendations

1. **The Local Government Advisory Board after formally inquiring into the proposal identified as Proposal 4 recommends pursuant to clause 6 (1)(a) of Schedule 2.1 of the Local Government Act 1995 that the Minister for Local Government reject the proposal.**

2. **The Local Government Advisory Board after formally inquiring into the proposal identified as Proposal 12/2013 recommends pursuant to clause 6 (1)(a) of Schedule 2.1 of the *Local Government Act 1995* that the Minister for Local Government reject the proposal.**

Proposal 17 (Cambridge/Subiaco)

The Local Government Advisory Board (the Board) recommends to the Minister:

1. **pursuant to clause 6 (1) (b) of Schedule 2.1 to the *Local Government Act 1995* (Act), that an order be made, under section 2.1 (1) (d) of the Act:**

   (a) abolishing the district of the City of Subiaco;

   [see Act s2.1 (1) (c)]

   (b) changing the boundaries of the Town of Cambridge to reflect those shown in Section 1.10 of the Appendices.

   [see Act s2.1 (1) (b)]

2. **pursuant to clause 10A (1) (a) of Schedule 2.1 to the Act, that an order be made, under section 2.2 (1) (e) of the Act abolishing all of the wards into which the district of the Town of Cambridge is divided.**

   [see Act s2.2 (1) (d)]

3. **pursuant to clause 5 (c) of Schedule 2.2 to the Act that an order be made changing the name of the Town of Cambridge to the City of Subiaco.**

   [see Act s2.3 (3)]

Conclusion and recommendations for the Towns of, Claremont, Cottesloe and Mosman Park, Cities of Nedlands and Shire of Peppermint Grove

Ward structure

It is the Board's view that equitable representation and engendering a whole of council approach is enhanced by a district ward structure.

Communities of interest and inter-connectivity between the affected local government districts facilitate the efficient and effective movement of people between suburbs. Physical features including the Stirling Highway activity corridor and the Perth to Fremantle rail are key elements of creating the inter-connectivity between localities. This supports an approach for a district ward system whereby the new local government can commence planning for the whole of the district from the first day of operations.

The Board recommends that the merged entity operate under a district ward structure.

Representation

The Board considered the Town of Mosman Park's preferred representation level of 14 offices of councillor and noting that as it is the recommended proposal, the Board resolved to recommend the merged local government have a total of 14 offices of councillor.

The five local governments of Claremont, Cottesloe, Mosman Park, Nedlands and Peppermint Grove will be abolished and all offices of councillor will be disestablished on 30 June 2015.

Name of the new local government

The Board recommends that the district be referred to as Riversea and that it be designated a city.

The Board considered the two iconic natural features of the Swan River and Indian Ocean being prominent in each local government. They are also very much a part of their respective histories and continue into the future as the name of the new local government and make it an ideal choice. The Board also felt that the name Riversea would be one that residents in the amalgamated district could relate too and forge a united community into the future.

The Board therefore recommends that the new entity created from the amalgamation of the local governments of Claremont, Cottesloe, Mosman Park, Nedlands and Peppermint Grove be named the City of Riversea. Should the merged local government

seek to amend its name at a later date, it can do so under Schedule 2.2 clause 5(c) of the Act.

Recommendations

1. **The Local Government Advisory Board after formally inquiring into the proposal identified as Proposal 3 recommends pursuant to clause 6 (1)(a) of Schedule 2.1 of the *Local Government Act 1995* that the Minister for Local Government reject the proposal.**

2. **The Local Government Advisory Board after formally inquiring into the proposal identified as Proposal 12/2013 recommends pursuant to clause 6 (1)(a) of Schedule 2.1 of the *Local Government Act 1995* that the Minister for Local Government reject the proposal.**

Proposal 24 (Mosman Park/Peppermint Grove/Cottesloe/Claremont/Nedlands)

The Local Government Advisory Board (the Board) recommends to the Minister:

1. pursuant to clause 6 (1) (b) of Schedule 2.1 to the *Local Government Act 1995* (Act), that an order be made, under section 2.1 (1) (d) of the Act:

(a) abolishing the current districts of:

(i) the Town of Mosman Park;

(ii) the Shire of Peppermint Grove;

(iii) the Town of Cottesloe;

(iv) the Town of Claremont; and

(v) the City of Nedlands.

[see Act s2.1 (1) (c)]

(b) declaring the area of the State comprising:

(i) the former district of the Town of Mosman Park;

(ii) the former district of the Shire of Peppermint Grove;

(iii) the former district of the Town of Cottesloe;

(iv) the former district of the Town of Claremont; and

(v) the former district of the City of Nedlands,

to be a district (the new district);

[see Act s2.1 (1) (a)]

(c) changing the boundaries of the new district to reflect those shown in Section 1.11 of the Appendices.

[see Act s2.1 (1) (b)]

2. pursuant to clause 10A (1) (a) of Schedule 2.1 to the Act, that:

(a) the order referred to at para 1 above, which is required to include an order naming the new district and an order designating the district, name it the City of Riversea and designate it a city.

[see Act ss 2.1 (1) (a) & 2.3 (1)]

(b) the order which specifies the number of offices of councillor on the council for the local government of the City of Riversea, specify that the number of offices of councillor on the council be 14.

[see Act ss 2.1 (1) (a), 2.5 (1) & 2.18 (1) (a)]

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