

Annual Report

2005

Local Government Advisory Board
Dumas House
1st floor
2 Havelock Street
WEST PERTH WA 6005

GPO Box R1250
PERTH WA 6844

Tel: (08) 9217 1497
Fax: (08) 9217 1506
Email: advisory.board@dlgrd.wa.gov.au

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CHAIRMAN'S REPORT

Reviews of local government ward boundaries and representation remained a major focus for the Board throughout the last year, in preparation for the May 2005 local government elections.

In all, thirty-two (32) reports of reviews of ward boundaries and representation were assessed during this reporting period. To enhance its work in this regard, in June 2005 the Board signed a Memorandum of Understanding with the Western Australian Electoral Commission, the Department of Land Information and the Department of Local Government and Regional Development regarding local government district and ward boundaries.

The trend to simplifying wards and representation has continued again this last year. Of the 26 local governments that proposed changes to ward boundaries and representation in 2004-2005, 10 amended ward boundaries but did not reduce the total number of councillors; 9 abolished all wards, including 2 that also reduced the total number of councillors; 5 reduced the number of wards without reducing the number of elected members and 2 reduced both the number of wards and the number of councillors. In addition, the Board received and assessed proposals relating to minor district boundary changes that affected 7 local governments.

Overall it has been pleasing to see local governments devoting significant time and resources to developing appropriate representation structures. There are now 45 local governments across the State that have a no-ward structure. Furthermore, it is estimated that the reduction in the number of Councillors across the State as a whole in the last two years will lead to total savings of approximately \$2 million.

The Board also considered two reports that examined issues relating to the possible creation of new local governments from within existing Shires: Kalbarri, located in the Shire of Northampton and the Tjurabalan-Kutjunka Region, which lies within the Shire of Halls Creek. In each of these cases, the Board concluded that further examination of the creation of a new local government was not appropriate at that time. Issues relating to local government responsibility for a third community, Tjuntjuntjarra, currently located within the Shire of Menzies but with economic and cultural links to the Shire of Laverton, remain under consideration.

In response to a request from the Minister for Local Government and Regional Development, the Board conducted an Inquiry into the Rating of Land for Charitable Purposes. A number of recommendations arising from the Inquiry were submitted to the Minister in April 2005 and are currently under consideration.

During 2004-2005, the Board visited Mandurah and York to discuss forthcoming reviews and was also represented at the 2005 Annual Conference of the Northern Country Zone of the Western Australian Local Government Association in Geraldton. The theme of that Conference, 'Amalgamate, Cooperate or Disintegrate', was highly relevant to the Board's work in relation to structural reform.

As in previous years, I have valued the level of commitment and support that members have made to the work of the Board and I thank them for all their efforts. In particular, I take the opportunity here to note the contribution of Mr Brent Rudler, who completed his term in June 2005.

I am also aware of the work undertaken by the officers of the Department of Local Government and Regional Development. I wish to especially acknowledge Duncan Watson for his contributions to the smooth functioning of the Board and thank Adrienne Inch, Ashley Parker, Angela Harrison and Vicky Nazer for their work throughout the year.

In accordance with Clause 14 of the Schedule 2.5 of the *Local Government Act 1995*, I submit to the Minister for Local Government and Regional Development the 2004/2005 Annual Report of the Local Government Advisory Board.

A handwritten signature in black ink, appearing to read 'Charlie Gregorini', with a stylized flourish at the end.

Charlie Gregorini OAM JP
CHAIRMAN

10 August 2005

VISION

That Western Australia should have a system of local government that is robust and effective in meeting the needs of Western Australian communities.

This is based on a structure of community focussed local government units that have logical boundaries integrating land use, the environment and transport systems. A sufficient resource base is required to efficiently, effectively, flexibly, and responsively, exercise functions and powers and be capable of embracing micro-economic reform.

HOW THE BOARD OPERATES

The function of the Board is to consider proposals for changes to district boundaries, wards and representation of local governments. These proposals can come from the Minister, local governments and members of the public. After the Board has considered a proposal, a recommendation is made to the Minister for Local Government and Regional Development who makes a decision about any proposed changes.

Under the *Local Government Act 1995* the Board takes the following factors into consideration when considering district boundary changes:

- (a) community of interest;
 - (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.
- (Schedule 2.1)

When assessing changes to local government ward boundaries and representation as proposed by local governments, the Board is required to consider the following factors:

- (a) community of interest;
 - (b) physical and topographic features;
 - (c) demographic trends;
 - (d) economic factors; and
 - (e) the ratio of councillors to electors in the various wards.
- (Schedule 2.2)

Enabling Legislation

The Local Government Advisory Board (the Board) was created under Section 2.44 of the *Local Government Act 1995* that came into operation on 1 July 1996. The Board operates under the provisions of the Act in Sections 2.1, 2.2, 2.3, 2.44, 2.45, and Schedules 2.1, 2.2 and 2.5.

GUIDING PRINCIPLES

The Board's *Guiding Principles* form the basis for considering changes to local government boundaries and take into account the factors set out in the Act.

Community of Interest

Community of interest includes parts of a district that share common interests/values/characteristics/issues giving rise to a separate sense of identity or community.

Factors contributing to a sense of identity or community include shared interests and shared use of community facilities. For example, sporting, leisure and library facilities create a focus for the community. The use of shopping areas and the location of schools also act to draw people together with similar interests. This can also give indications about the direction that people travel to access services and facilities.

The external boundaries of a local government need to reflect distinct communities of interest wherever possible. Neighbourhoods, suburbs and towns are important units in the physical, historical and social infrastructure and often generate a feeling of community and belonging. The Board believes that wherever possible, it is inappropriate to divide these units between local governments.

Physical and Topographic Features

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

- water features (such as rivers);
- catchment boundaries;
- coastal plain and foothills;
- parks and reserves; and
- man made features (such as railway lines or freeways).

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

The Board supports local government structures and boundaries that facilitate the integration of human activity and land use.

Demographic Trends

Local Government should consider the following characteristics when determining the demographics within its locality:

- 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.

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.

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.

Transport and Communication

The transport and communications 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.

Matters Affecting the Viability of Local Governments

Local government should have a sufficient 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.

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.

BOARD MEMBERSHIP

The Board is comprised of five members representing local government councillors, officers and the State Government. The Minister for Local Government and Regional Development selects the Chair and an officer from the Department of Local Government and Regional Development. Two members are councillors, who are selected from a list supplied by the Western Australian Local Government Association (WALGA). The fifth member is a Chief Executive Officer from local government, selected from a list supplied by Local Government Managers Australia). Five deputies are also selected on the same basis as the members.

At the time of preparation of this report, one position on the Board is vacant, following the resignation of former Cr Brent Rudler in June 2005. The new member will be selected from a list of nominations to be submitted by WALGA in the near future.

Current membership is:

Chairman Cr Charlie Gregorini OAM JP

Council Representatives Cr Helen Dullard OAM
Cr Patricia Creevey (Deputy)

Vacant
Cr Laurie Graham (Deputy)

Chief Executive Officer Representative Mr Eric Lumsden
Dr Shane Silcox (Deputy)

Department of Local Government and Regional Development Officer Mr Quentin Harrington
(Deputy Chairman)
Mr Duncan Watson (Deputy)

The Board members were appointed until 31 August 2006.

ACTIVITIES FOR 2004/2005

As in previous years, the Board's work in 2004-2005 fell into two main areas: proposals for district boundary changes and reviews of wards and representation.

In addition, during this reporting period, in response to a request from the Minister for Local Government and Regional Development, (the Minister) the Board conducted an Inquiry into the Rating of Land for Charitable Purposes.

Inquiry into the Operation of Section 6.26 (2) (g) of the Local Government Act 1995 relating to the Rating of Land for Charitable Purposes.

Section 6.26(2)(g) of the Act provides that 'land used exclusively for charitable purposes' is not rateable by a local government. In recent years, charitable organisations, individuals and local governments have raised problems with the operation of this section. In a number of cases, disagreement over the rateability of certain properties has resulted in substantial legal costs being incurred by charitable organisations and local governments to support their respective positions.

In light of this, in December 2004 the Minister requested that the Board examine and report upon the operation of this section of the Act. The Board was asked to pay regard to the impact of this section on the rating of retirement villages, land owned by community housing providers and any other organisations that may provide services of a charitable nature.

Specifically, the Board was asked to research and report on:

- The nature of land uses applying for exemption;
- The criteria used by local governments to determine whether land is being used for a charitable purpose;
- What organisations/land uses are being exempted by local governments from the payment of rates; and
- The operation and application of provisions relating to the rating of land used for charitable purposes in other Australian jurisdictions.

To gain a better understanding of the issues surrounding this matter and to identify possible solutions, the Board sought information and input from key stakeholders and other sources. The inquiry process included:

- A survey of all local governments
- Correspondence with relevant Governments, departments and agencies
- Meetings with WALGA and LGMA; peak bodies representing retirement villages and community housing associations; residents and operators of retirement villages; and individual local governments.

In addition, the Chairman and Mr Andrew Main, Principal Policy Officer of the Department of Local Government and Regional Development, visited New South Wales, Victoria and South Australia during January 2005 to examine how those constituencies deal with the rating of land used for charitable purposes. The visit provided possible models for use in Western Australia.

The Board's draft report on this Inquiry, including twelve recommendations, is currently before the Minister for consideration.

Proposals for District Boundary Changes

Upon receiving a proposal for a district boundary change, the Board's first decision is to determine the level of inquiry to be undertaken. The Board may decide that the matter is minor and not one about which public submissions need to be invited. In this case an informal inquiry is conducted.

A formal inquiry is undertaken for all other boundary change proposals. This involves giving formal notice of the inquiry to local governments and the affected communities and inviting public submissions. The Board also visits the affected area and meets with members of the affected local governments, the community and key stakeholders.

In 2004-2005, following a request from the Minister, the Board conducted an assessment of what impact the creation of a **Tjurabalan-Kutjungka** local government would have on the financial viability of the **Shire of Halls Creek**. Approximately 60% of the Shire's population is indigenous, with 50% of this number residing in the Tjurabalan region.

Inputs to this assessment included a meeting between representatives of the Department and the Shire; a report from the Shire regarding the level of services and facilities provided to all areas of the District; financial analyses of local government grants, road maintenance and Community Development Employment funding in the area; advice from the Department of Planning and Infrastructure regarding built environment plans; and background material on corporate governance in Community Councils provided by the Munjurla Study.

After careful consideration, the Board recommended to the Minister that further examination of the creation of a new local government for the Tjurabalan-Kutjungka region was not appropriate at that time. The Minister accepted the Board's recommendation.

The Board also gave initial consideration to a draft report commissioned by the **Shire of Northampton** relating to the possible creation of a separate local government for the town of **Kalbarri**. In this instance, too, both the Board and the Shire concluded that further examination of this issue was not appropriate at that time.

At the time of preparation of this report, issues relating to local government responsibility for a third community, **Tjuntjuntjarra**, currently located within the **Shire of Menzies** but with economic and cultural links to the **Shire of Laverton**, remain under consideration. The Board aims to complete its assessment of this matter by the end of the 2005 calendar year.

Proposals for minor district boundary changes were received from the **City of Cockburn**, the **Shire of Kalamunda**, the **Shires of Cuballing and Narrogin**, and the **Shires of Lake Grace, Esperance and Ravensthorpe**. The Board supported these changes and the Minister accepted the Board's recommendations.

Reviews of Wards and Representation

The Board received and assessed thirty-two (32) reports of reviews of ward boundaries and representation in 2004/2005. Twenty-seven (27) country and five (5) metropolitan local governments submitted reports to the Board.

The Board noted both a continued improvement in the standard of these reviews, and in general a pleasing trend toward simplifying wards and representation.

To streamline these processes further, in June 2005 the Board signed a Memorandum of Understanding with the Western Australian Electoral Commission, the Department of Land Information and the Department of Local Government and Regional Development regarding local government district and ward boundaries.

Country

Of the ward and representation reviews from country local governments that were considered by the Board in 2004-2005, seven (7) proposed to maintain their current ward structure, ward boundaries and level of representation. These were the **Shires of Ashburton, Busselton, Pingelly, Roebourne, Shark Bay, Wagin and Wandering**. The Board noted these reviews and in some cases requested that the relevant Councils conduct a further review by 30 June 2006.

The **Shires of Broomehill and Bruce Rock, the City of Bunbury, and the Shires of Dundas, Harvey, Mount Magnet, Upper Gascoyne, Wyalkatchem and York** all resolved to abolish their wards as a result of the ward review process. Of these, the Shires of Wyalkatchem and York also resolved to reduce their overall number of Councillors, from 9 to 7 and from 9 to 6 respectively.

Two Shires, **Greenough** and **Mullewa**, reduced both the number of wards and number of Councillors. **Greenough** reduced its number of wards from 4 to 3 and number of Councillors from 12 to 11, whilst **Mullewa** reduced its wards from 6 to 4 and its Councillors from 11 to 9.

Four Shires: **Denmark, Mingenew, Dandaragan** and **Murchison** reduced their number of wards but left their total number of Councillors for the district unchanged. **Denmark** reduced its ward from 5 to 3, **Mingenew** from 5 to 2, **Dandaragan** from 4 to 2 and **Murchison** from 4 to 2.

Five local governments outside the metropolitan area resolved to amend their ward boundaries to create more balanced representation across their districts. These were the Shires of **Dumbleyung, Halls Creek, Murray, Victoria Plains**, and **Toodyay**.

The Board supported all these changes and recommended them to the Minister.

Metropolitan

Following a review of its wards and representation, the **City of Rockingham** had proposed to maintain the status quo. The Board resolved to consider a report of elector numbers in the City following the May 2005 elections to determine whether or not to require the City to conduct a further review by 30 June 2006.

Three (3) local governments in the metropolitan area proposed to amend their ward boundaries to create more balanced representation across their districts. These were the **City of Fremantle**, the **City of Armadale** and the **Shire of Serpentine-Jarrahdale**. The **City of Armadale** and the **Shire of Serpentine-Jarrahdale** also renamed their wards.

To create a more balanced representation across its district, the **City of Swan** proposed to reduce its number of wards by one (1) and increase the total number of councillors for the district by one (1).

The Board supported these changes and recommended them to the Minister.

THE FUTURE

The Board is expecting to receive more reviews of wards and representation as councils finalise new representational arrangements for the 2007 local government elections.

A number of visits to local governments to provide assistance for the completion of these reviews have already been arranged.

The Board is aware that local governments and members of the community across the State are considering proposals for changes to local government district boundaries. The Board welcomes opportunities to discuss with local governments and members of the community the processes for change.

The Board encourages local governments to take steps to assess their own situations to determine the best ways to deliver local government functions and services to their communities. The Board looks forward to on-going discussions regarding structural reform in Western Australia.

ADDITIONAL INFORMATION

Staff

The following staff have serviced the work of the Board during the 2004/2005 year:

Executive Officer: Duncan Watson

Other Officers: Adrienne Inch
Policy & Research Officer
Jenni Law
Senior Compliance Officer
Angela Harrison
A/Policy & Research Officer
Vicky Nazer
A/Policy & Research Officer

Publications

August 2003 **Information Package: Review of Wards and Representation**

February 2004 **Assessment of the East Pilbara/Port Hedland Proposal: An assessment by the Local Government Advisory Board in response to a proposal to transfer the Mugarinya Community and its associated lands from the Shire of East Pilbara to the Town of Port Hedland.**

June 2004 **Assessment of the Victoria Plains/Chittering Proposal: An assessment by the Local Government Advisory Board of the proposal to transfer land in the locality of Mogumber from the Shire of Victoria Plains to the Shire of Chittering**

October 2004 **Assessment of the Establishment of a Separate Local Government for the Tjurabalan-Kutjunka Region**

Annual Reports for the years 2000/2001, 2001/2002, 2002/2003 and 2003/2004 are also available.

Note: Information required to be reported under Section 175ZE of the *Electoral Act 1907* is included in the Annual Report of the Department of Local Government and Regional Development.